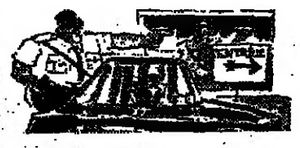
Weekend FT

Inside section II
22 Pages

Keynes on the 1992 election
Page I



How to beat the duty-free con
Page IX

The last moments of the Titanic
Page VII

ELECTION 1992
Gazing at Number 10
Page 9

NEWSPAPER OF THE YEAR

FINANCIAL TIMES

Weekend April 4/April 5 1992 | EUROPE'S BUSINESS NEWSPAPER | D 8523A

Portugal applies to join exchange rate mechanism

Portugal made a surprise application to join the European Monetary System's exchange rate mechanism, underlining its commitment to controlling inflation. The escudo will join the ERM on Monday at a central rate against the D-Mark of Esc87.8 if Portugal's application is accepted by Community officials today. Page 24

US job figures add to gloom: Lacklustre US employment figures for March pointed to only a slow recovery from recession. The Labour Department said non-farm employment rose by a paltry 19,000 last month. Page 3

Heron losses: Heron International announced operating losses for the year of £100m, the first time that Gerald Ronson's private property group has made losses in its 27-year history. Page 24 and Lex

SIB defends 'soft commission': The Securities and Investments Board rejected calls for a ban on so-called "soft commission" share trading. Page 4

Russian reshuffle: The shake-up of the Russian cabinet continued with the resignation of Genady Burbulis, first deputy prime minister and number two to Boris Yeltsin. Page 2

Jason Donovan wins £200,000 damages:

Pop star Jason Donovan was awarded £200,000 libel damages in the High Court over an article in The Face magazine which suggested he was a homosexual and a hypocrite in refusing to admit it. Mr Justice Drake granted The Face a stay on the award pending a possible appeal. The magazine, which also faces substantial court costs, could be forced to close.

New Tobishima debt plan: Tobishima Corporation, leading Japanese contractor and developer, announced that a plan to reduce its Y1,000bn ($745m) group debt had failed, and that a new five-year scheme had been approved by Fuji Bank. Page 12

De Klerk visit: South African President F W de Klerk may next week visit Nigeria, Africa's most populous country and current head of the Organisation of African Unity. The visit would provide a psychological boost for Mr de Klerk's political reforms.

La Cinq closes: A French court formally wound up the insolvent private television station La Cinq but granted a nine-day stay of execution.

Chinese hydro-scheme: China's parliament voted in favour of the controversial Three Gorges dam on the Yangtze river, the biggest hydro-electric project in the world. Page 3

Roche fortunes rise: Roche surpassed Ciba-Geigy last year to become the largest of the big three Swiss chemical and pharmaceutical groups in terms of net profit. Page 12

Polly Peck move: Two administrators of Polly Peck International have publicly distanced themselves from the third, marking the latest twist in the story of Asil Nadir's company which collapsed in 1990. Page 24

Warrant for Treuhand director: German prosecutors issued an arrest warrant for Andreas Gruenebaum, a director of the Treuhand privatisation agency who is accused of taking a bribe in return for undervaluing a company.

Brazil's paralysis: Brazilian President Fernando Collor's attempts to persuade the Social Democratic party to join his government have failed. Page 3

Albanian president quits: President Ramiz Alia, last of Albania's Stalinist stalwarts, resigned following the landslide election victory for the anti-communist Democratic party. Page 2

Private prison opens: Britain's first privately run prison, the Wolds on Humberside, opened its gates to public inspection prior to receiving its first inmates on Monday. The £38m remand centre will house 300 prisoners. Page 4

Housing upturn: The government welcomed a small rise in February housing starts as further evidence that interest-rate cuts are stimulating the housing market. Page 5

Inquiry into Bafta awards: Voting procedures for last week's British Academy of Film and Television Arts awards are to be investigated after claims by members of the judging panel that the controversial drama GBH should have beaten ITV thriller Prime Suspect in the best drama serial category.

US LUNCHTIME RATES		
Federal Funds	4%	
3-mo Treas Bills: Yld	4.03%	
Long Bond	101 1/32	
Yield	7.86%	
LONDON MONEY		
3-mo Interbank	11 1/2%	(same)
Liffe long gilt future:	Jun 93	(Jun 93 1/2)
STOCK INDICES		
FT-SE 100:	2,382.7	(−22.7)
Yield	5.10	
FT-SE Eurotrack 100	1,144.60	(−4.48)
FT-A All Share	1,142.45	(−0.9%)
Nikkei	18,558.71	(+273.68)
New York lunchtime		
Dow Jones Ind Ave	3,216.23	(−17.89)
S&P Composite	398.48	(−2.02)
NORTH SEA OIL (Argus)		
Brent 15-day May	$18.575	(18.475)
Gold		
New York Comex Apr	$341.00	(340.0)
London	$341.15	(340.9)

STERLING		
New York lunchtime:		
$	1.745	
London:		
$	1.7435	(1.73)
DM	2.835	(2.845)
FFr	9.61	(9.64)
SFr	2.6025	(2.5975)
Y	232.5	(231.75)
£ Index	90.0	(89.9)
DOLLAR		
New York lunchtime:		
DM	1.6225	
FFr	5.5006	
SFr	1.487	
Y	133.15	
London:		
DM	1.6285	(1.645)
FFr	5.5125	(5.5725)
SFr	1.492	(1.5015)
Y	133.4	(133.9)
$ Index	84.7	(85.0)

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Main parties step up fight for middle ground votes

By Our Political Staff

THE TWO main parties were battling for the support of Britain's undecided and Liberal Democrat voters last night at the end of a week of electioneering that left the outcome of the general election as uncertain as ever.

With just five days before voters go to the polling stations, party officials were braced for tomorrow's batch of opinion polls which will give the first indications of the state of the election race since the mid-week polls showed Labour with a slight advantage.

As the prospect of a hung parliament loomed larger last night, Mr Neil Kinnock made a push for the centre ground by saying that a Labour government would strive to build a new consensus in British politics.

However, Mr John Major, the prime minister, used a party election broadcast to reiterate the Conservatives' claim that voters were faced with a simple choice between him and Mr Kinnock.

The Labour leader's comments were taken as a fresh attempt to narrow the Liberal Democrats' options in the event of a hung parliament by reducing their ability to vote down a Labour programme for government.

As the Conservatives launched a new attack on the Labour leader's record of policy reversals, Mr Kinnock also refused to close the door completely on the possibility of a referendum on electoral reform.

In an interview on the BBC's Newsnight programme, Mr Kinnock said his personal preference was for any proposal on new electoral systems to be dealt with at the general election after the one to be held on Thursday.

But he would not rule out definitively the option of a referendum on the findings of an expanded commission on proportional representation, under the chairmanship of Professor Raymond Plant, in 1994.

Arguing that he remained confident of securing an overall majority, Mr Kinnock said his personal preference was for the next election to be fought "on the basis of first past the post."

But Mr Paddy Ashdown, the Liberal Democrat leader, again dismissed Mr Kinnock's comment on electoral reform as inadequate. Urging his supporters not to be lured by Labour's pledges, he said: "The more Mr Kinnock says Labour are the only alternative to the Conservatives, the more the voters look for an alternative to him."

On tour in Kent, Mr Major mocked Labour's move on electoral reform and repeated his opposition to even discussing it. "Cuddling up to the Liberals for support is like leaning on candyfloss," he said.

But his attack was weakened by a call for a Speaker's commission on electoral reform from Mr Edward Heath, the former Tory leader.

The final phase of the Conservative campaign, to be launched in newspaper advertisments tomorrow, will focus on the positive reasons for voting for the party as the champion of low taxes and low inflation.

Speaking in Nottingham last night, Mr Michael Heseltine, the environment secretary, set out a positive Conservative agenda for a government pledged to creating " a ladder of opportunity to a richer life."

In their election broadcast last night, the Conservatives renewed their attacks on Mr Kinnock for his policy turnabouts on Europe, devolution and nuclear disarmament. But a decision to transmit the telephone number of Labour's Walworth Road headquarters to allow viewers to complain at the opposition's gloomy image of the UK was attacked as "a silly prank" by Labour.

Meanwhile, Mr Ashdown accused the Conservatives of contemplating allowing a minority Labour government rather than accept the need for electoral reform.

ELECTION 1992

- **Women's issues given little airing**
- **Michael Foot starts his last pilgrimage**
- **Owen acts to save old friends from the axe**

Pages 6 and 7

- **Double visions of the UK economy**

Page 8

- **Neil Kinnock's long day's journey to the right**

Page 9

Colin Beare

A word in your ear: Chris Patten shares a thought with Michael Heseltine at yesterday morning's Tory press conference

Election worries depress sterling

By Peter Marsh, Economics Staff

STERLING came under pressure yesterday as a fresh wave of nerves about the UK general election affected financial markets.

The pound lost 1 pfennig against a stronger D-Mark to close in London at DM2.835. Meanwhile share prices also fell as investors showed their worries about the outcome of Thursday's poll.

The FT-SE 100 index of leading shares shed 22.7, closing at 2,382.7 for a 65-point loss on the week.

The fears of investors are focused on the repercussions of a Labour victory or a hung parliament.

In either case, the markets believe, nervous investors might decide to switch funds out of sterling.

If that happened base rates might have to rise, holding back hopes of economic recovery.

Some signs emerged yesterday of investors selling pounds for other currencies.

This drove sterling down to within about 5 pfennigs of its DM2.78 floor in the European exchange rate mechanism.

Mr Paul Chertkow, chief currency analyst at the London office of Citibank, the US bank, said he expected a further fall in the pound next week due to nervousness among investors about whether a Labour government would keep sterling in its ERM band.

He added: "In my view, Mr John Smith [the shadow chancellor] would not devalue the pound. Even if he had to raise interest rates after the election, the effect would be temporary and so I can see no great long-term risk to investors holding pounds."

Others took a less sanguine view.

Ms Christine Shields, economist at the Royal Bank of Scotland, said: "The markets are approaching the election with a great deal of trepidation."

The pound's weakness against the D-Mark was exacerbated by the effects of investors buying the German unit against the dollar, which fell back on worries about a faltering US economic recovery.

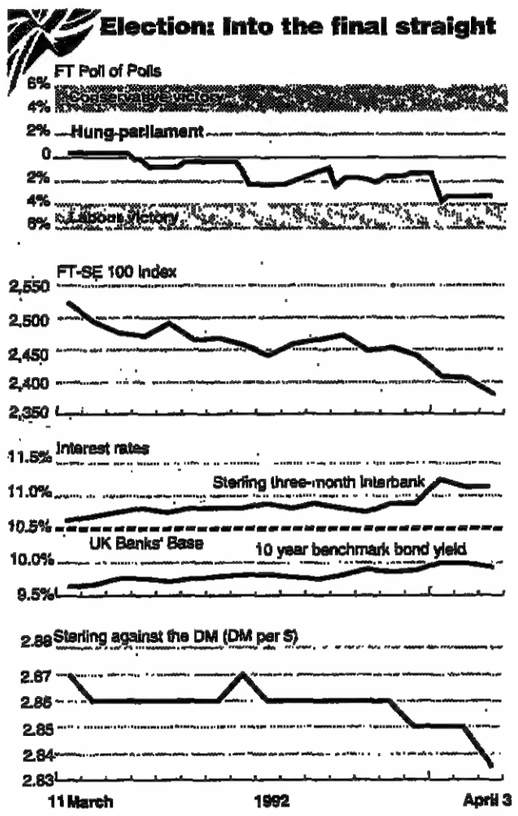
The dollar shed nearly 2 pfennigs against the D-Mark, closing in London at DM1.6265.

Against the dollar, the pound was stronger, gaining nearly 1½ cents to close at $1.7435.

Over the week, the pound has lost just over 2 pfennigs.

Government gilt-edged securities – which steadied yesterday after recent falls – have shed up to 1½ points.

Currencies, Page 13
London stocks, Page 15
Lex, Page 24



Kohl urges bar on ex-Soviet states from EC membership

By Christopher Parkes in Bonn

FORMER members of the Soviet Union should not be allowed to join the European Community, Chancellor Helmut Kohl of Germany said in Bonn last night.

Presenting an ambitious vision of a continent comprising two linked economic blocs, he said the eastward expansion of the European Community should stop with the accession of Poland, Hungary and Czechoslovakia. Former Soviet states should form their own economic zone, he added.

Outlining what he called his "future Ostpolitik", he urged the Community to sign special treaties with the newly-independent countries to help them rebuild their economies and develop a second economic group which could act as a "bridge from Europe to Asia".

Formal association agreements with Germany's nearest eastern neighbours would allow them, once they had met the necessary political and economic criteria, to become full EC members.

"The EC should also relate to the states of the former Soviet Union, but not in the same way. The right means is through special eastern treaties, which go beyond conventional co-operation agreements, rather than association," Mr Kohl told an audience which included Mr Jacques Delors, European Commission president, and Mr Edward Shevardnadze, former Soviet foreign minister who now heads the state council in Georgia.

"Our realistic aim must be to support them in their efforts towards real economic integration among themselves," Mr Kohl said. Once this had been achieved, the goal must be to interlock the enlarged EC with the eastern economic group.

Painting a picture of a politically stable, economically successful and militarily secure Europe, he stressed the role of Nato. It had to remain as the anchor of European security. Most importantly, only the continued existence of Nato could guarantee "the necessary presence of the US in Europe".

The Conference on Security and Co-operation in Europe should also be given a greater say in security matters.

To stabilise the situation in the east, he said, the west would have to open up its markets to help businesses generate investment capital. In future, all financial and economic aid should be directed towards helping the new democracies to help themselves.

The economics minister, Mr Jürgen Möllemann, meanwhile announced a DM500,000 (£175,500) subsidy for an east-west economics conference to be held Münster in May.

About 200 east European politicians and economists will be entertained at Bonn's expense while Group of Seven and Portuguese delegates pay their own bills.

Yeltsin's deputy quits, Page 2

CONTENTS

Austria Sch30; Bahrain Din1.000; Bermuda $1.85; Belgium BFr80; China FEC 12; Canada C$1.40; Cyprus C£1.00; Czechoslovakia Kcs35; Denmark DKr14.00; Egypt E£4.00;Finland Fmk10; France FFr8.00; Germany DM3.30; Greece Dr250; Hong Kong HK$15, Hungary Ft182; Iceland IKR180; India Rup35;Indonesia Rp3,800; Israel NIS5.50; Italy L2500; Japan Y600; Jordan JD1.20; Korea Won 2500; Kuwait Fils.500;Lebanon ©,1250; Luxembourg LFr60; Malaysia Rm4.50; Malta Lm0.50, Morocco Dh11.00; Nigeria Naira20.00; Netherlands Fl3.50; Norway Nkr15.00; Oman OR1.20; Pakistan Rs35; Philippines Peo 45; Poland Zl 18000; Portugal Esc190; Qatar QR10.00; S.Arabia Rs8.00; Singapore S$4.10; Spain Pts200, Sri Lanka Rup30; Sweden SKr14.00; Switzerland SFr3.00;Taiwan NT$85; Thailand Bht50; Tunisia Din1.000; Turkey L8000; UAE Dh9.00; USA $1.25.

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NEWS: INTERNATIONAL

Ministers in the new French cabinet (from left): Jack Lang, education and culture; Michel Sapin, economy and finance; Rene Teulade, social affairs and integration; Bernard Tapie, urban affairs; Michel Vauzelle, justice; Segolene Royal, environment; Emile Zuccarelli, postal services and telecommunications; Marie-Noelle Lienemann, deputy housing minister

Safer European reactors sought

By William Dawkins in Paris

EUROPEAN Community governments must take urgent joint action to improve the safety of eastern Europe's ailing nuclear reactors, the head of France's atomic energy commission warned yesterday.

It will cost around FFr64bn (£6.6bn) to bring reactors in eastern Europe and the former Soviet Union to an acceptable level of safety and to close those beyond redemption, *said* Mr Philippe Rouvillois, chairman of the Commissariat à l'Energie Atomique.

"We do not have the right to leave these countries alone to face these problems which they cannot resolve themselves," Mr Rouvillois told the Kangaroo Group, an organisation of European MPs devoted to promoting the European single market. The community and other international bodies must provide financial help and technical advice fast, he urged.

His remarks reflect growing European concern at the risk of a repeat of the 1986 Chernobyl disaster, following last month's radiation leak at a reactor near St Petersburg.

Germany wants to discuss nuclear safety in the east at the July summit of the Group of Seven industrial countries, and France has sent technology advisers to the region.

Apart from the environmental risk, western governments would have political difficulties in maintaining their own nuclear programmes if there were another serious accident in the east, Mr Rouvillois added. This is especially important to France as the world's most nuclear-dependent country: it draws three-quarters of its electricity from nuclear power.

Bérégovoy gets off to flying start in polls

By Ian Davidson in Paris

THE appointment of Mr Pierre Bérégovoy as France's new prime minister to replace Mrs Edith Cresson seems to have achieved its most immediate objective: it has won the approval of a majority of the French electorate.

A survey by the CSA institute for public radio found 66 per cent think that Mr Bérégovoy may be a good *prime minister, and 52 per cent think* he may give a new impetus to government policy.

Another poll, carried out by the SOFRES institute for the newspaper *Le Figaro, said* 50 per cent approved the appointment of Mr Bérégovoy, and 55 per cent thought President François Mitterrand had learned the lessons of the government's massive setbacks in the recent regional and local elections.

The new government's first task is to reverse the record-breaking decline in popularity during Mrs Cresson's 10-month premiership. The CSA institute pointed out, however, that 70 per cent thought Mrs Cresson might be a good prime minister at the time of her appointment, and 67 thought she would give new impetus to government policy.

Inside the Socialist party, Mr Bérégovoy's appointment has been greeted with relief by most members of parliament who hope he will restore calm and inspire confidence. Few seemed to expect, however, that he would enjoy sufficient freedom of economic manoeuvre to launch new policies for fighting unemployment or for improving the lot of the deprived inner cities.

In any case, economic policy will continue to be determined by Mr Bérégovoy from the prime minister's office. The appointment of Mr Michel Sapin to take charge of the Finance Ministry, after a junior post in the Justice Ministry, is a remarkable promotion for a young politician who is still not quite 40. But Mr Sapin is a lawyer by education, with no special experience of economics, and no special power base; moreover, his ministry has been reduced in rank, and now merely shares equal status with the Budget and Industry ministries.

On the other hand, the overall political balance within the new government seems to indicate a clear strengthening of the position of the faction led by Mr Laurent Fabius, first secretary of the party, and a loss of influence of the rival faction led by Mr Lionel Jospin, the former party leader. This could lead indirectly to a strengthening of the position of Mr Michel Rocard as the party's potential candidate in the next presidential elections.

Mr Bérégovoy is a member of the Fabius faction, as are a disproportionate number of his ministers; whereas Mr Jospin, the former education minister, has been shut out of the new team.

When Mr Fabius took over the leadership of the Socialist party in January, it was through a deal with Mr Rocard, in return for which Mr Rocard was designated the "virtual" candidate of the party. The main significance of Mr Sapin's appointment to the Finance Ministry may be that he is a rising member of the Rocard faction.

Tapie turns to politics, Page 12

Hopes for farm trade reform deal

By David Dodwell in Paris

MR Jürgen Möllemann, Germany's economics minister, expressed hopes yesterday that the change in government in Paris will open the way to decisions in France "that allow the *European Community to come to a* compromise with the US government" on farm trade reforms.

Speaking at a conference in Paris, Mr Möllemann said it would be "a catastrophe" if the Uruguay Round of talks on liberalisation of world trade were to fail because of deadlock over agriculture.

Negotiations began in 1986, but have been paralysed since the end of *1990 by EC refusal to accept these* reforms. France has been the most reluctant to compromise, particularly on US demands for cuts in the volume of subsidised farm exports.

The German minister pointed to a summit in Washington between President George Bush and EC President Jacques Delors on April 22 as an opportunity for compromise.

Commenting on the appointment on Thursday of a new French government headed by Mr Pierre Bérégovoy, Mr Möllemann noted that Mr Bérégovoy "has a very high understanding of the international economic problems *we are facing*".

At the same conference, Mr Frans Andriessen, vice-president of the EC, talked of Mr Bérégovoy as a "very EC-oriented man".

"It seems trivial that such an enormously important exercise [as the Uruguay Round] is depending on farm trade. We should accept the challenge to make reform."

Mr Möllemann called for a special Group of Seven summit to resolve the trade deadlock if no compromise was reached in Washington in April.

Yeltsin's deputy quits as shake-up continues

By John Lloyd and Leyla Boulton in Moscow

THE shake-up in the Russian cabinet continued yesterday with the resignation of Mr Genady Burbulis, first deputy prime minister and number two to Mr Boris Yeltsin, who is both president and head of government.

This leaves Mr Yegor Gaidar, who was removed on Thursday from his post of finance minister, as the only first deputy prime minister, and thus as Mr Yeltsin's deputy. It confirms that Mr Gaidar remains very much in charge of economic reform – even though its pace is to be slowed through a loosening of credit policy.

At the same time, however, a senior World Bank official said he was convinced the Russian government would continue radical economic reforms despite the easing of financial policies.

Mr Wilfried Thalwitz, vice-president for Europe and Central Asia, also warned that enterprises would sooner or later have to suffer a credit crunch to force them into making structural adjustments.

"We will see an attempt to allow some temporary expansion of credit... but very *carefully tailored not to lead to* hyperinflation," he said before a meeting with Mr Yeltsin yesterday. But he said the quicker the crunch came, the more likely the reform programme would succeed.

Mr Burbulis, a long time associate of Mr Yeltsin, resigned "at his own request", according to a statement from the president's office.

He keeps his post as state secretary, and is expected to take over as head of Mr Yeltsin's administration – probably replacing Mr Yuri Petrov – when he *vacates his government office on April* 14.

The statement also said Mr Burbulis would oversee domestic and foreign policy and the political aspects of the government's reform plan, as well as looking after personnel policies and relations with political partries. The wide nature of his duties points as much to a promotion as a demotion, though he is removed from the immediate fire of the deputies, who may try to reassert their power to veto cabinet *appointments – a power they surren*dered last year at the request of Mr Yeltsin.

A government official told Russian journalists that he "will be in charge of all presidential structures and will coordinate the work of the police force, security and foreign intelligence". Such a post would carry immense power, and brings together under one man oversight of agencies which Mr Yeltsin had wished to unify in one ministry, only to be thwarted by a decision of the Constitutional Court.

His sacrifice from his government post, together with Mr Gaidar's symbolic surrendering of the Finance Ministry to Mr Vasily Barchuk, a long-time finance official, is designed to deflect some of the criticism which the government expects at the sixth Congress of Peoples Deputies, which begins on Monday.

Meanwhile Mr Yeltsin is to appoint two deputy defence ministers to the recently formed Russian Defence Ministry, which he heads. They are General *Pavel Grachev,a deputy to Marshal* Yevgeny Shaposhnikov, the head of the Commonwealth armed forces, and Mr Andrei Kokoshin, deputy director of the USA-Canada Institute.

Aides to Mr Ruslam Khasbulatov, the Russian parliament's leader, said last night that the parliamentary changes had been designed to placate his opposition, and hinted there might be more to come, even including the resignation of Mr Andrei Kozyrev, the Russian foreign minister.

The government also announced *more generous social protection to* accompany the market reforms. Mr Alexander Shokhin, the deputy prime minister responsible for social affairs, said the minimum wage would be increased to Rbs900 from Rbs342, while minimum pensions would rise to Rbs800 from Rbs500. Wages would be regularly reviewed.

Work schemes cut German jobless total

By Christopher Parkes in Bonn

GERMAN unemployment has fallen sharply and industrial production in the west increased, government officials reported yesterday. However, the federal labour office warned of "considerable" job losses to come in the east, and Economics Ministry figures showed most output growth came from construction.

The 166,000 drop in the *March jobless total was rela*tively evenly balanced between both parts of the country. A net reduction of 70,200 in the east brought down the number officially without a job to 1.2m – 15 per cent of the work force.

However, Mr Heinrich Franke, head of the labour office, said the decline did not reflect any change in real conditions in the eastern labour market. Numbers had declined mainly because of the extension of government-funded labour market support measures. Around 120,000 people formerly registered as jobless, had been given places in work creation schemes or had taken early retirement.

In the west there were 1.77m out of work or 5.8 per cent of *the workforce. The fall was due* mainly to exceptionally mild winter weather.

The weather also contributed to a 22 per cent west German building output in January and February. This helped industrial output for the two months to a 1.8 per cent rise.

Finland names Bank governor

By Sara Webb

THE Bank of Finland yesterday named Ms Sirkka *Hämäläinen as the new gover*nor of the central bank, in an attempt to calm the country's turbulent financial markets.

News that Mr Rolf Kullberg, the governor of the bank for the past nine years, had tendered his resignation because of a public dispute with Prime Minister Esko Aho over economic policy sent a shockwave through the Finnish money markets in yesterday's half-day trading.

The one-month Helibor rate jumped from Thursday's close of 12.85 per cent to 16.76 per cent yesterday, while three-month rates moved up from 12.75 per cent to 13.44 per cent.

The sharp increase in short-term interest rates had a knock-on effect in Sweden, pushing up one-year rates from 11.78 per cent to 12.20 per cent.

Dealers reported a sudden rush of capital out of Finland. According to one estimate, *FM5bn (£641m) flooded out of* the country, although the Bank of Finland refused to comment on the figures, saying that it was acting to *preserve the stability of the* markka.

Ms Hämäläinen, aged 52, will take over as governor on July 1.

She has been a member of the Bank of Finland's board of management since last November and has spent the last 30 years at the central bank.

Correction

EBRD meeting

THE first annual meeting of the European Bank for Reconstruction and Development will take place in Budapest on April 11-14 and not, as stated in the Financial Times yesterday, in Bucharest this weekend.

Albanian president steps down

PRESIDENT Ramiz Alia, the last of Albania's Stalinist stalwarts, resigned from office yesterday after a landslide election *victory for the* anti-communist Democratic party 12 days ago, Reuter reports from Tirana.

Mr Alia, 67, announced his decision on Albanian state radio.

The hand-picked successor to the late dictator Mr Enver Hoxha, who died in 1985, said he would formally present his resignation to parliament today at its first session since the March 22 election.

The Democrats won over 60 per cent of the vote, while the communists, renamed the Socialist party, took less than 30 per cent.

Mr Alia said he had made his decision after consultations with the Democratic party leader, Mr Sali Berisha, and the head of the Socialists, Mr *Fatos Nano*.

It was not clear whether Mr Berisha, a charismatic 47-year-old heart surgeon, would step into Mr Alia's post or become *the country's prime minister*. Under the constitution, Albania's president is chosen by parliament.

Alia: bowed to a wave of anti-communist sentiment

It was Mr Alia who, bowing – albeit late – to a wave of anti-communist sentiment sweeping eastern Europe, decided in December 1990 to *permit multi-party elections in* Albania.

In his statement, he said he had accepted the post of presi*dent a year ago to help* keep the country united, avoid serious disruptions and lead Albania towards democracy.

"I am offering my resigna*tion for the same reasons,*" he said.

The Democrats greeted his resignation with satisfaction.

Peugeot deal for assembly in Poland

By Kevin Done, Motor Industry Correspondent

PEUGEOT, the French car maker, has reached agreement with FS Lublin (formerly Fabryka Samochodow Ciezarowych), a Polish light commercial vehicle producer, for the small-volume assembly of Peugeot cars in Poland.

Peugeot has signed an industrial co-operation deal with the Lublin-based van maker, for the local assembly of the Peugeot 405 *large family car*.

Production in Lublin is to begin in May next year. Output is planned to reach 2,000 in the first year, rising to 10,000 in *the fourth year*.

Local content is expected to begin at 20 per cent, but should rise quickly to around 50 per cent. Peugeot says this expansion of capacity and local content would involve an eventual investment of more than FFr350m (£36m).

FS Lublin has a workforce of 7,200 and derives around half of its turnover from the supplying of components to other Polish vehicle makers.

Haunted by twin ghosts

Leslie Colitt and Andrew Gowers on how Nazi and communist legacies dominate German politics

The German government yesterday moved to clear the legal log-jam blocking investment in *the former GDR*, writes Christopher Parkes.

All claims from former owners of businesses, houses, land and other properties, including Jews dispossessed before the war, must be registered before the end of this year, Mr Klaus Kinkel, justice minister, announced in Bonn.

Former owners demanding the return of businesses must also present new business plans within four weeks of registering their claims.

Unveiling a draft legal amendment, he said he had "gone as far as constitutionally possible" in his efforts to speed the clearing up over 1m property disputes caused by 40 years of communist mismanagement and Nazi appropriations.

MR Manfred Stolpe leaned back on the leather seat of his Mercedes limousine as it barrelled along the pot-holed roads of east Germany and proclaimed wistfully: "Germans have a difficult time with our past."

The prime minister of the German state of Brandenburg, the place where Prussia was born, is feeling more than usually haunted by ghosts from recent and not so recent German history.

For the past three months Mr Stolpe, eastern Germany's *only home-grown politician of* note and the only Social Democrat (SPD) heading a state government there, has been under unrelenting attack for alleg*edly serving as an informer for* the hated Stasi secret police in the former communist state.

Then a couple of weeks ago an echo from the Nazi past rang through the Brandenburg parliament when its honorary president, Mr Gustav Just, resigned after it was revealed he participated in a Wehr*macht execution of six Jews in* the Ukraine after the Nazi invasion.

Now Mr Stolpe's government has been rocked by remarks *made by his junior coalition* partner, Mr Peter-Michael Diestel, the local Christian Democrat parliamentary leader, that appeared to justify the role of *Stasi informers in East Ger*many as having been "guarantors of social peace".

Mr Diestel's comments have shocked Chancellor Helmut Kohl, as his CDU party prepares for tomorrow's crucial regional elections in the western German Länder (states) of Baden-Württemberg and Schleswig-Holstein.

In the eastern parts of the unified Germany, these two different, but still not-quite-conquered German pasts have *become the principal weapons* of political combat. They are also a focus for economic and social resentment against the west.

Mr Stolpe, a modest man with a homespun air, has *become philosophical about* the trend, just as he is resigned to the probings of a parliamentary commission into his own case. "We'll have a lot more of *this political turbulence over* the next couple of years," he says.

The Brandenburg premier has made no bones about his *contacts with the secret police*. As a senior lay official of the Protestant church, he interceded with the communist regime in humanitarian cases over a period of decades, obtaining the release of thousands of East German prisoners and reuniting families in the west. To do so, he insists, he had to negotiate with the Stasi and thus inadvertently came to be registered as an accomplice.

"The east Germans have a tendency to think as Germans did in 1945," says Mr Stolpe. "They are looking for scapegoats. Some people tell me it's a conscious effort at humiliating the east Germans by the west Germans, who have yet to come to terms with the Nazi past."

Whatever the intention, that is turning out to be the effect. Mr Kohl, who had been suspected by some of seeking to turn Mr Stolpe's misfortunes against the SPD at large, has seen the affair blow up in his face after Mr Diestel's *remarks*. The result, according to many East Germans, is dissension between ordinary "Ossis" and "Wessis" greater than before *the wall came down*. "The process of growing together again will take years," says Mr Stolpe. "The decisive thing will be whether we can create the economic and social conditions where people won't have the feeling that they're losers."

The current disastrous state of the east German economy means such conditions are likely to be absent for a good while. The effective jobless rate in the five eastern Länder of the federal republic is between 30 and 40 per cent – even in Brandenburg, one of the least poor, it is 30 per cent. What is more, Mr Stolpe admits that with wages ratcheting sharply upwards – to 80 per cent of the west German level in some sectors – many more jobs will go.

Although the economy has *lifted somewhat after* its near total collapse last year, self-sustaining improvement is hard to discern, despite an infusion of government funds estimated at DM180bn (£63bn) this year.

The danger, as the Brandenburg premier has often warned, is that over time this will lead to political radicalisation. The tools which extremists could use are already to hand. Says Mr Stolpe as he prepares to board a flight to campaign for his party in Baden-Württemberg: "We Germans are a mad people."

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Japanese post record trade surplus

By Steven Butler in Tokyo

JAPAN'S current account surplus rose to a monthly record of $10.8bn (£6.2bn) in February, as exports surged while imports fell sharply.

The huge increase in the broadest measure of Japan's external balances, 77 per cent higher than a year ago, looks certain to aggravate an already high level of friction with Japan's trade partners.

The rising surplus reflects in part the slowdown in Japan's economy, which reduces demand for imported goods. Weak domestic demand also encourages manufacturers to reduce stocks by selling them overseas.

The Japanese government will come under increasing international pressure to stimulate the economy and restore growth in order to reduce its external surpluses. A package of emergency economic measures announced on Tuesday, and a 0.75 point cut in the official discount rate to 3.75 per cent announced on Wednesday, have been widely dismissed as inadequate to revive the economy.

The Tokyo stock exchange yesterday interrupted its recent slide, with the the Nikkei average closing 273.68 higher at 18,559.71.

The February trade balance, which excludes invisible trade items such as tourism and insurance, rose by 74 per cent to Y12.3bn, just short of the record set in December. Exports rose by 12.5 per cent, led by strong sales of cars and ships. Imports fell by 12.7 per cent.

The dollar value of the surplus was also boosted by the higher value of the yen compared to a year ago and by lower commodity prices, especially for crude oil.

February saw a continuing heavy flow of long-term capital into Japan, with a net capital surplus of $1.7bn, compared to $3.5bn in January. Foreigners were net purchasers of Japanese equities worth $2.4bn, although they turned net sellers of Japanese bonds, worth $1.2bn.

Japanese continued to be net sellers of foreign equities, worth $893m in February. Net Japanese purchases of foreign bonds fell from $7.4bn in January to $1.4bn in February.

Disappointing US jobs report adds to gloom

By Michael Prowse in Washington

THE publication yesterday of lacklustre US employment figures for March pointed to only a slow recovery from recession.

The Labour Department said non-farm employment rose by 19,000 last month, less than half the increase expected on Wall Street. The rise was hardly discernible in an economy with nearly 109m non-agricultural jobs.

Figures for February were revised down to show a job gain of 107,000 rather than 164,000. The unemployment rate was unchanged last month at 7.3 per cent, the highest level for six years.

The disappointing jobs report – seen as the most important monthly statistical publication – may lead to more cautious assessments of the US economic outlook. Big increases in consumption spending in January and February were interpreted by some analysts as evidence that a robust recovery was under way.

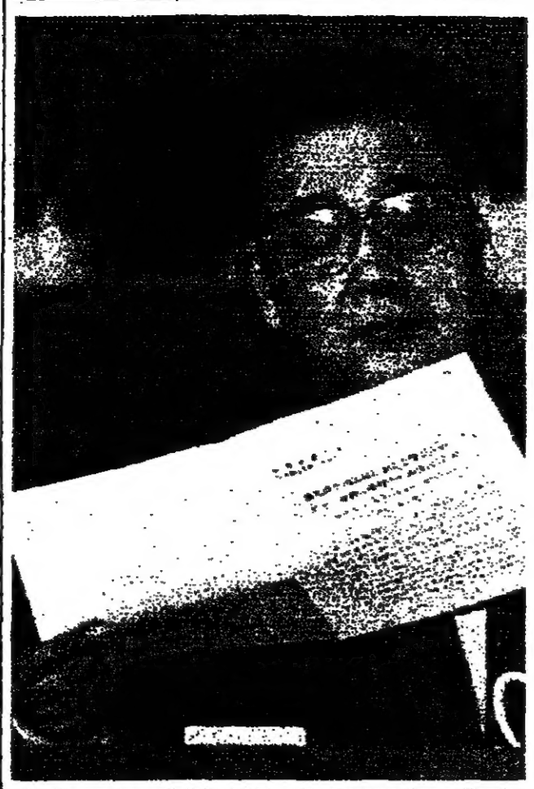
"The numbers for February were too strong," said Mr William Griggs of the Wall Street analytical firm Griggs and Santow. "The March figures provide a more realistic picture of the economy."

The figures, while worse than expected, were not seen as bad enough to prompt an easing of monetary policy by the Federal Reserve, which has held short-term interest rates at 4 per cent since December. The Fed regards employment as a lagging indicator and hopes that recent increases in demand will translate into higher production and lower unemployment later this year.

Yesterday's report, however, confirms there has been no significant increase in employment since last spring, despite three quarters of slow growth of gross domestic product. Employment rose last spring and summer, fell in the autumn and winter and now appears to have stabilised.

Manufacturing employment fell slightly last month after a small gain in February. In construction, the upturn in residential real estate has yet to translate into job growth.

Go-ahead for controversial plan for world's biggest reservoir



Hardline prime minister Li Peng looks over the motion to adopt a version of his report. Reformers forced him to include a call to fight left-wing dogma

Chinese congress votes for giant hydro-electric scheme

By Yvonne Preston in Beijing

THE Chinese parliament yesterday voted in favour of the controversial Three Gorges dam on the Yangtze river, the biggest hydro-electric project in the world, capable of generating one-eighth of all the power now produced in China.

Over the last 40 years of communist rule numerous research studies into the feasibility of the dam, first proposed 70 years ago, have been conducted, but no decision made.

The giant scheme, costed at 57bn yuan (£8.2bn), has been criticised inside and outside China on scientific, economic, environmental, social and even defence grounds. The 600km-long reservoir backed up behind the dam could be vulnerable to nuclear attack, opponents say.

The most recent feasibility study, completed in November 1988, recommended building the dam at the eastern end of the Yangtze's famous Three Gorges, one of the world's scenic wonders. Ten experts refused to sign the report.

The project was denounced in 1988 by Chinese critics as a Stalinist folly. The vice-chairman of the China Democratic League, one of the country's eight non-communist political parties, said China could not afford it. Bankers warned of ballooning cost over the 18 years it would take to build.

The National People's Congress voted 1,767 to 177 in favour of building the dam, but 664 abstained, the most in memory on any vote.

The benefits of centrally planned flood control and a huge power generating capacity outweigh the scheme's defects, China's communist leaders argue. But even the government acknowledges the magnitude of the problems, including the displacement of more than 1m Chinese whose homes will be flooded.

All kinds of opinions were still welcome even after the project was approved by the NPC, chairman Wan Li said early this week, anticipating today's favourable vote while acknowledging dissent.

Dissenters include NPC deputies from Hong Kong and Taiwan and those seeking to delay the project because of its cost and complex technical problems, including sedimentation. The Sichuan port city of Chongqing at the western end of the reservoir could silt up.

Upriver of the dam, Sichuan province bears the brunt of the project's environmental damage and has 85 per cent of the people to be moved. The flood-control and power-generating benefits go primarily to the citizens of downstream Hubei province.

Widespread flooding in eastern and central China last summer, which killed hundreds of people and cost billions of yuan, gave impetus to the Three Gorges scheme. The starting date will depend on China's future financial situation but trial resettlement of people is already under way.

The congress ended its annual session by approving humiliating changes to hardline premier Li Peng's state-of-the-nation report, in a clear victory for reformists.

This year's congress took place amid a power struggle between Marxist conservatives and economic reformers led by 87-year-old paramount leader Deng Xiaoping.

Riddle of Libyan retaliation

By Tony Walker in Cairo and Mark Nicholson in London

CONFUSION yesterday surrounded an apparent threat by Libya to the commercial interests of countries which voted to impose sanctions over a Libyan refusal to hand over two men accused of the Lockerbie bombing.

The threat was originally made by student protesters on Libyan television. However, officials in Tripoli were unable to clarify the situation. It could affect countries such as France, whose Elf Aquitaine oil company has significant interests in Libya.

A Libyan spokesman was quoted as saying: "The statement of the crowds has not so far become official."

The British Foreign Office said it was awaiting clarification on the apparent threat, which would affect a number of UK companies in Libya, but it was not yet treating it as official policy.

A senior Libyan diplomat told European ambassadors in Tripoli that countries which had supported the sanctions would have their interests "negatively affected", but gave few details. EC diplomats in Tripoli were seeking an official Libyan denial of the protesters' threat.

Libyan officials were also vague over the protesters' call that countries which backed the UN sanctions should evacuate their nationals from Libya. Thousands of Britons, Americans and French work in Libya's oil industry – a sector traditionally cushioned from political upheaval.

Mr Douglas Hurd, the British foreign secretary, reported after a telephone conversation with Mr Allen Brown, head of the British interests section in the Italian embassy in Tripoli, that the British community was calm and that "quite a number" of exit visas were slowly being issued to those seeking to leave.

But Mr Hurd told BBC radio: "It's still very confused."

Kenyan protest crumbles

By Julian Ozanne in Nairobi

CALM was restored to Nairobi and other provincial Kenyan cities yesterday as support for a two-day general strike crumbled.

The Kenyan government said three people had been shot and wounded and 83 people arrested during violent clashes between rioters and police on Thursday at the start of the 48-hour national stoppage called by the opposition Forum for the Restoration of Democracy (Ford) to force the government to release what they claim are political prisoners.

Many private taxis stayed off the streets, disrupting transport services, but most of Nairobi's work force reached their jobs and most shops reopened.

A government statement yesterday said the strike had "comprehensively failed". It said other opposition parties had not supported Ford.

Brazilian president fails to recruit allies

By Christina Lamb in Rio de Janeiro

BRAZILIAN President Fernando Collor's attempts to persuade the Social Democratic party to join his government have failed, leaving him desperately seeking allies to fill the holes in his administration left by the resignation of more than 30 government members.

Initial positive reaction to the reshuffle – the largest in Brazilian history – has turned to incredulity as Mr Collor proves unable to attract people or parties to his team. The government's reform programme has been stalled, along with the investigations into corruption in the administration which led to its dismissal.

Important ministries such as Infrastructure and Agriculture are paralysed while Mr Collor dangles the posts in front of potential allies. "It's becoming an auction," commented one congressman yesterday.

With municipal elections due in October, politicians do not want to be associated with the government's unpopular economic policy, which has provoked two years of recession.

Stephen Fidler adds from Santo Domingo, Dominican Republic: Hopes that both Brazil and Argentina could reach agreement in principle with leading commercial bank creditors in the next week have been dashed as Brazil suspended further talks with banks for nearly three weeks.

However, Argentina and its bank advisory group are expected to meet in Santo Domingo at the annual meeting of the Inter-American Development Bank in the next few days. This leaves open the possibility that Argentina may secure an outline debt accord under the Brady Plan.

There had been hopes that the IADB meeting would symbolise an end to the decade-long debt crisis for both countries. But the Brazilian government baulked at completing a complex deal ahead of what it saw as a false deadline.

SIB issues defence of 'soft commission'

By Richard Waters

THE Securities and Investments Board, the City's chief investment regulator, yesterday turned down calls for a ban on so-called "soft commission" share trading and issued its strongest statement in defence of the practice.

Under soft commission arrangements institutional investors promise to give business to a particular broker. In return they receive facilities that help them do their job, such as information services or screens carrying market news and data.

Critics say the arrangements prevent investors from shopping round to get the best deal for their own clients each time they trade.

The practice was criticised recently in a speech by Mr Peter Rawlins, chief executive of the London Stock Exchange, when he called on pension fund investment managers to drop soft commissions. He added: "To the average man, if people want a service, they should be prepared to pay visibly for it in a currency everyone understands."

Yesterday the SIB said it had noted calls to review its policy on soft commissions, or to ban the practice, but it had decided no change was necessary.

"Soft commission arrangements provide a legitimate means for fund managers to obtain specialist services," the board said. "The payment of commission in return for an array of services in addition to execution, which benefit the fund manager's clients, is a traditional feature of the marketplace."

The SIB said that to prevent abuse it had developed a framework to define the services that could be provided, to keep customers informed and to ensure that "transactions are carried out on terms no different from those involving a traditional commission arrangement".

Those regulatory arrangements should be given a chance to settle down, the SIB said, adding that trustees "should be alert to the implications for fund beneficiaries of such arrangements".

The SIB also said yesterday it would take no action to limit the ability of integrated investment houses to undertake soft commission business. It had started a review of the subject, prompted by moves by some integrated houses to cut soft commission rates to win business.

Private prison opens its doors on Humberside

By Richard Evans

BRITAIN'S first privately run prison, the Wolds on Humberside, opened its gates to public inspection yesterday before receiving its first official inmates on Monday.

The £38m remand centre, to be run by Group 4, will eventually house more than 300 adult male remand prisoners who will be supervised by warders or "prisoner custody officers" employed by the security company.

Standards set for various aspects of prison life are well in excess of those in public-sector prisons. Stiff financial penalties can be imposed on Group 4 if the terms of its contract with the Home Office are not met.

Remand prisoners will be housed in 156 single and 72 shared cells, all with en-suite sanitation; and each prisoner will have a cell key.

The prison is arranged in the form of six self-contained houses of 50 prisoners each, with access through electronically locked doors controlled centrally. This arrangement is designed specifically to confine any disturbances to a controllable number of inmates.

Prisoners will spend about 15 hours a day outside their cells - in sharp contrast to most remand prisons - and can use their time on work programmes, education, physical exercise, counselling and recreation.

Mr Steve Twinn, the prison's director, intends to impose two levels of "prisoner contract", one of which will offer a higher quality of life, including generous payments, to those who work and guarantee a higher standard of behaviour. Prisoners who do not "opt in" and who decline to work will not be paid.

Mr Adam Sampson, deputy director of the Prison Reform Trust, said the Trust remained strongly opposed to privatisation of prisons, but many of the ideas being tried at the Wolds were welcome, particularly the amount of time prisoners were to be allowed out of their cells. "However, it must be acknowledged that there are risks," he said.

Mr Sampson warned that the pay structure would create a two-tier regime and there was potential for injustice from the judgments on behaviour that would have to be made by prison staff.

Carlton lacks news supply for teletext bid

By Raymond Snoddy

CARLTON Communications' bid for a 10-year public teletext licence has been made without a contract for a news supplier.

Unlike the other four bidders for the licence at present held by Oracle, the commercial teletext company, Carlton was unable to reach agreement with the Press Association, the UK news agency that supplies most newspapers and broadcasters.

Carlton, the television facilities and production company that won the London weekday licence from Thames Television, is bidding in a joint venture with Intelfax.

The company has accompanied its bid with a confidential letter suggesting how it would obtain its news supply if it won the bid battle. One suggestion is that Independent Television News could be the news supplier.

ITN, however, is trying to win the franchise itself in a joint venture with MAI Broadcasting, Scottish Television and Anglia Television.

Carlton argues that it will easily negotiate a news contract if it wins the licence. Rivals argue that the lack of a contract might lead to Carlton's failing the initial quality threshold.

Minimum wage is unlikely to affect public-sector staff

By David Goodhart, Labour Editor

THE PUBLIC SECTOR would be virtually unaffected if a Labour government introduced a national minimum wage next year at the rate of £3.40 an hour.

There is a widespread assumption that low pay is a serious handicap in the public sector but pay analysts say that recent pay rises and the restructuring of lower grades has taken all but a few thousand public-sector employees above the £3.40 rate.

Local-government employers, who yesterday rejected a £1,000 flat-rate claim from unions representing 800,000 manual workers, say there are only 25,000 full-time workers and 200,000 part-timers below £3.40 an hour. Almost all of those will be earning more than £3.40 by next year. All white-collar staff, except for a few hundred 18-year-olds, are well above the minimum rate.

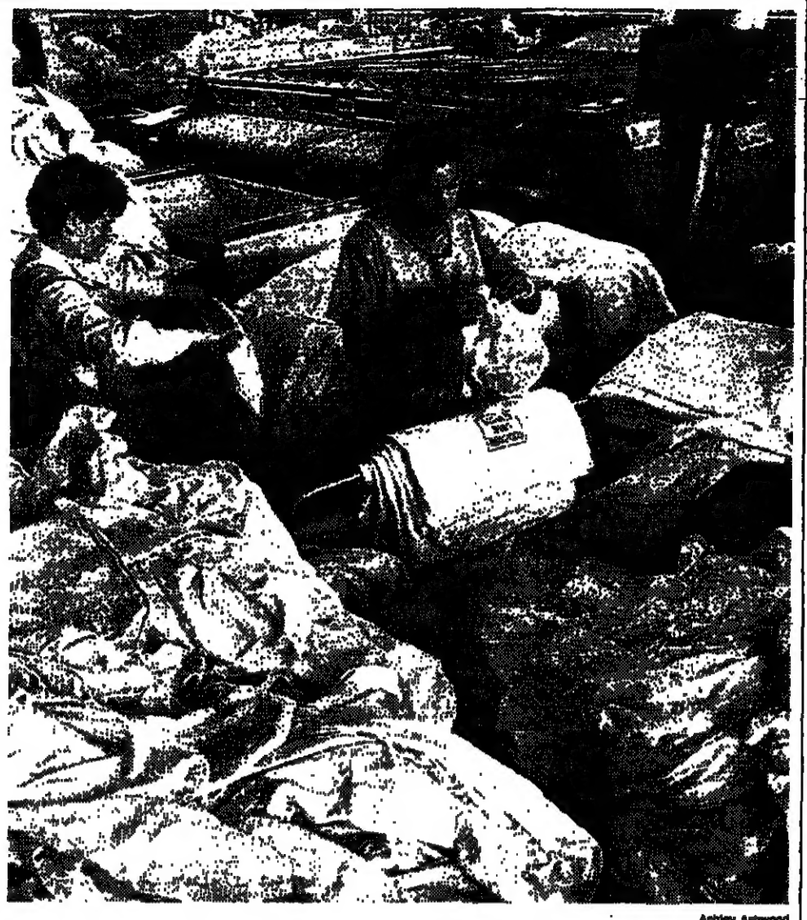
Similarly, the Low Pay Unit estimates that in the National Health Service there are about 130,000 ancillary staff below the minimum wage level. After the current pay round, though, in which lower-paid staff have been offered a 6.8 per cent rise, there will be only a few hundred left below the level.

Mr Alistair Hatchett of Incomes Data Services said there might be a handful of cleaners or canteen workers in the public sector who would benefit from a minimum wage. "But the vast majority of those affected are in the private sector, usually covered by wages councils, in sectors like retailing, textiles, and private-sector catering," he said.

The National Institute of Economic and Social Research has estimated that if the minimum wage is introduced in April next year at £3.40 an hour it would affect about 2.3m people, almost exclusively in the private sector, and would add £2.2bn to the wages bill.

Most of those affected are not covered by collective bargaining and some analysts conclude that there will be little pressure to maintain differentials further up the pay scale. That pressure is one of the main worries that employers have about a minimum wage.

● The TGWU general workers' union, the biggest union supporter of the Labour party, is suing Mr Paddy Ashdown and other senior Liberal Democrats for libel. The union says the party is claiming that the TGWU has advised members to vote for Liberal Democrats in some marginal seats.



Ashley Ashwood

Pressing for more pay: laundry workers at a Reading hospital. It is estimated there are about 130,000 ancillary NHS staff that are below the minimum wage level

Dalgety names chairman

By Katharine Campbell

DALGETY, the foods and agribusiness group, has named Mr John West as its chairman when Sir Peter Carey retires in September, when he will be 69.

Mr West, aged 64, was chief executive of Reckitt & Colman between 1980 and 1988. He has been on the Dalgety board as a non-executive director since June 1990, and is also chairman of Bridon and Christian Salvesen, although he is retiring from Salvesen later this year.

Sir Peter has been non-executive chairman of Dalgety since 1986 and a director since 1983.

In June Mr Bryan Fawcett, executive director responsible for agribusiness, retires aged 60 after 21 years at Dalgety. Sir Christopher Laidlaw, aged 69, also steps down after eight years as a non-executive director.

Mr Maurice Warren, chief executive of Dalgety, said the company was trying to reduce significantly the average age of its board.

Names hail victory on evidence

By Richard Lapper

GOODA Walker Names said yesterday they had forced Lloyd's to disclose details of Mr Kenneth Randall's investigation into Gooda Walker.

In a letter to the Gooda Walker Action Group's 2,000 members, Mr Alfred Doll-Steinberg, the group's chairman, said that "had Lloyd's not agreed to publish the evidence obtained by GW Run-Off" his group would have applied for a court injunction to prevent the drawdown of Names' funds.

Mr Doll-Steinberg supports the action at present before the Commercial Court, which involves some of its members, but the group has yet to take independent action.

Legal action is in prospect, nevertheless, if Lloyd's proceeds to draw down Names' deposits to meet cash calls, he added.

Lloyd's issued notices on March 4 allowing drawdown of deposits of Names who fail to meet cash calls after 30 days.

A cash call totalling £101m for Names on 164, 290, 298 and 299 covering losses in 1989 and 1990 fell due on March 2.

GW Run-Off has collected only limited amounts of the cash so far. Mr Doll-Steinberg said Lloyd's intention to let the drawdowns continue was "absolutely crass".

Disclosures stir Gooda controversy

Richard Lapper reports on the troubled syndicate

LLOYD'S of London has again found itself at the centre of controversy this week with the disclosure of possible irregularities at some of the market's worst affected insurance syndicates.

Evidence gathered by Mr Kenneth Randall, a former head of regulatory services at Lloyd's, indicates that between 1981 and 1988 the Gooda Walker agency may have overstated the profits of its syndicates and, in 1991, failed to disclose reinsurance transactions to its auditors.

Until its liquidation Gooda Walker managed eight Lloyd's syndicates, which specialised in catastrophe reinsurance business and in 1989 and 1990 have delivered some of the worst losses in Lloyd's recent history. In 1989 losses exceeded £200m.

Some of the syndicate's Names are among more than 800 who are seeking injunctions to prevent Lloyd's drawing down on their deposits in order to fund the losses.

The case, in which the Names are represented by Michael Freeman & Co, began on Tuesday but was adjourned by Mr Justice Saville after receipt of the affidavit containing details of Mr Randall's findings.

Mr Randall's investigation is being conducted on behalf of GW Run-Off, the agency set up to administer Gooda affairs last October. The investigation centres on the use of time and distance (T&D) insurance – an insurance policy resembling a banking arrangement used by many Lloyd's syndicates to fund known future losses.

IMPACT OF TIME AND DISTANCE POLICIES ON RESULTS OF SYNDICATE 290

Year of account	Syndicate capacity (£m)	Profit after personal expenses (£m)	T&D benefit taken (£m)	Cheque for a £10,000 line
1981	5.135	1.994	3.21	*3,800
1982	6.15	1.379	-	2,243
1983	8.135	0.988	1.351	1,214
1984	13.485	1.277	-	947
1985	25.295	3.066	7.891	1,212
1986	37.725	8.118	4.565	2,178
1987	48.165	4.412	5.766	916
1988	69.746	10.929	0.997	1,567

*Approximate retained profit per syndicate auditors — Source: Randall affidavit

The 38-page affidavit details three areas of concern.

Between 1981 and 1988 the profits of syndicate 290, the biggest of eight syndicates managed by Gooda Walker, may have been overstated as a result of the use of T&D policies.

Mr Randall's preliminary analysis of audited accounts for the period showed that gains from T&D policies contributed £23.8m of the syndicate's total profits of £32.16m (after personal expenses).

He calculated that the profit commission charged to Names "which could be regarded as attributable to profits generated from the use of time and distance policies" amounted to £3,674,727. The profits arise because the difference between the premium paid to the reinsurer and the limits of indemnity – the amount the reinsurer agrees to pay in claims at an agreed future date – must be regarded as a gain at the time of purchase.

Mr Randall said that his analysis had raised a number of questions which warranted further investigation.

They include the issue of whether the dates selected for recoveries under the policies inflated the profits of the syndicate. In addition, Mr Randall is concerned to examine the impact of the deals on the syndicate's liquidity.

Mr Randall's investigation also shows that information about the commutation – or early cashing in of T&Ds – may not have reached the syndicates' auditors, Littlejohn Frazer.

The years 1988, 1989 and 1990 were bad for Gooda Walker as losses mounted from catastrophes such as hurricane Hugo in September 1989 and the European storms of January 1990.

By April 1991 cashflow difficulties were particularly serious. Mr Randall said the agency's management asked its reinsurers, the Bermuda-based Pinnacle, to commute six T&D policies.

Commuting the policies, which protected the exposures of syndicate 290, realised about £27m. Mr Randall said that syndicate auditors confirmed that they were unaware that the four policies had been cancelled. "The syndicate auditors . . . inspected a number of time and distance policy documents prior to the completion of their audit. They state that they were shown the original policy documents of the four policies which had in fact been commuted on 2 April 1991."

Gooda Walker agreed to reinstate the contracts "upon receipt of funds from the June cash calls" (charged to Names to meet insurance claims).

Subsequently in June 1991 syndicate 298 also found itself in cashflow difficulties. Four further T&D polices – benefiting three other Gooda Walker syndicates 164, 90 and 295 – were commuted in order to put syndicate 298 in funds.

Accountancy interests 'dominated auditing'

By Andrew Jack

AUDITING POLICY has historically been dominated by views that have favoured the leading accountancy firms above other interests, an academic said yesterday.

Speaking at an auditing conference organised by Bristol Business School, Mr Prem Sikka, of the Polytechnic of East London, analysed the development of the "going concern" auditing guideline required for the approval of company accounts.

He said the definition of a going concern in the guidelines was designed to "minimise audit effort and maximise protection from lawsuits".

The guidelines were drawn up by the Auditing Practices Committee, which did not publish its voting and which had a membership dominated by large accountancy firms.

Mr Sikka also emphasised that the use of the word "profession" in relation to the practice of accountancy was loaded, suggesting knowledge, altruism and a pursuit of the public interest.

He suggested that in reality the leading firms were "significant businesses which have to secure a favourable environment to make profits, avoid lawsuits and retain their legitimacy".

He did not consider the role of the new Auditing Practices Board. The board, which was created last year, includes a majority of non-practising accountants.

● Environmental auditing is still interpreted in a wide range of different ways, Ms Josephine Maltby told the conference.

Commenting on the results of a survey of environmental auditors, she concluded that their perceptions of the purpose of the audit and the way in which it was conducted varied considerably.

Standard on currency criticised

By Andrew Jack

SUPPORT is widespread for the overhaul of accounting standard SSAP20 dealing with foreign currency translation, according to a survey conducted by the Chartered Association of Certified Accountants.

In a study of 32 companies, institutions, accounting firms and individuals conducted for the Accounting Standards Board, the association found that most wanted disclosure in the accounts of any limitations on the extent to which overseas assets can be remitted to the UK. That has been prompted by the experience of Polly Peck International.

Many of those surveyed felt a need for clarification of reserve accounting, the treatment of complex capital instruments, and hedging transactions.

Delay agreed in row over Jersey judge

By Sue Stuart

THE HOME OFFICE request for the resignation of one of Jersey's senior judges has been temporarily set aside after a meeting on Thursday between Jersey politicians and Sir Clive Whitmore, representing the Privy Councillors.

Mr Vernon Tomes, Jersey's deputy bailiff, was asked to resign after complaints from local advocates that he took too long to deliver reserved judgments, in some cases more than two years.

Jersey, in the Channel Islands, is a self-governing UK Crown dependency and the Privy Councillor who has special responsibility for it is also the Home Secretary.

The island's judges are Crown appointments, as are its attorney general and lieutenant governor.

Mr Tomes said the delays in delivering judgments were due to a work overload. The island's politicians feel they can resolve the issue internally, so a delegation was sent to London to try to get the resignation demand rescinded.

Senator Dick Shenton, a senior member of the Jersey parliament, said Thursday's meeting in London had been most helpful. "We recommended the request for Mr Tomes' resignation should be deferred for six months. This would allow us time to sort out the work overload problem ourselves."

Sir Clive Whitmore set aside the original request temporarily and will put the proposal for a six-month deferment to the Home Secretary.

Senator Shenton said: "We look forward to our request being acceded to." He does not expect to receive the home secretary's decision until after the UK elections.

Members of the States, the Jersey parliament, are concerned that this matter has been misrepresented as a constitutional crisis. The constitution is not threatened and members feel they have a good working relationship with the Privy Council.

Some States members refused to speak to London-based journalists yesterday because they were not sure the island's position would be correctly presented.

Increase in housing starts suggests boost for market

By Andrew Baxter

THE government yesterday welcomed a small rise in February housing starts as further evidence that interest-rate reductions are beginning to stimulate the housing market.

According to provisional estimates from the Department of the Environment, 12,000 dwellings were started in Great Britain during February, compared with 11,300 a year earlier. There were 12,900 completions, against 12,500 in February last year.

The rise took housing starts in the three months from December to February to 35,100, up 3 per cent on the same period a year ago, while completions fell by 4 per cent to 41,600.

Mr Tim Yeo, environment minister, said the figures were an encouraging message for the economy as a whole, given that housing starts provide earlier evidence of economic activity than other construction figures.

Statistics for January and February show increases for both private-sector and housing association starts, with private starts rising from 20,400 to 20,800 and housing association starts up sharply from 3,300 to 4,600.

In contrast, over the same period, starts made by local authorities, new towns and government departments dropped from 1,200 to 500.

On a seasonally adjusted basis, total starts fell by 1 per cent in the three months from December to February, compared with a year earlier, while total completions fell by 3 per cent. Private enterprise starts fell by 3 per cent, while completions rose by 1 per cent.

Housing starts are generally seen as a leading indicator of activity in the economy. They tend to precede house price rises by as much as a year.

● The Labour Party's tax proposals would penalise the professions, including civil engineering, and prejudice the industry's future, according to Mr George Dixon, vice-president of the Federation of Civil Engineering Contractors.

Speaking in Harrogate yesterday, Mr Dixon said he was worried that Labour's proposed structure of income tax and National Insurance contributions "would clobber if not the present take-home pay then certainly the aspirations of the up-and-coming engineer or surveyor". He urged Labour not to forget that civil engineering is a "profession with worldwide application, and a mobile profession".

Architects' optimism on work prospects proves short-lived

By Andrew Baxter

GLOOM has descended again on the architecture profession after a small outbreak of optimism at the beginning of the year, according to quarterly figures published yesterday.

Architects are becoming "ever more pessimistic" about their future workloads during the recession, the Royal Institute of British Architects says.

While the institute's previous figures showed that architects were becoming, on balance, slightly optimistic about future workloads, the latest show that only the largest practices are now even slightly optimistic. Only one in 100 large practices expects a rise while smaller firms still expect a big fall in new commissions.

The institute says it is downgrading its predictions as recovery of the UK economy appears to have been postponed for about two quarters. "Our view is that workloads will remain fairly static during the next 12 months, although there should be an upturn by the end of the year."

The institute's sectoral figures disclose sharp falls in industrial and retail commissions, while new commissions in the office and leisure sectors continue drifting downwards.

Only public-sector and housing commissions show rises compared with the previous quarter. The institute says public-sector commissions are expected to rise further when spending proposed in the chancellor's Autumn Statement comes on stream in the new financial year.

RIBA Leads, The Old Coach House, 32 Evesham Road, Cheltenham, Gloucs. GL52 2AG. £125 (£99 for RIBA members).

Players may strike for level football field

Jane Fuller reports on the clash over cash between players and the Premier League

THIS afternoon as half a million recession-hit football fans tread their weekly escape route to the local ground, they might be wondering why players earning up to £3,000 a week are contemplating a strike.

The answer is that their action would be one of the last Robin Hood-style gestures in a world where redistribution of wealth is in decline. If members of the Professional Footballers Association have voted to strike – and the result should be announced on Monday – it will not be to get more pay.

A yes vote would be used by the PFA's leader, Mr Gordon Taylor, to try to get a minimum of £1.5m from the Premier League's television honeypot. He insists that not a penny of that sum, which is twice the amount the PFA receives now, would go on increasing players' wages. It would be used to benefit all 2,500 players at the 92 English and Welsh clubs through funds for training, medical insurance and hardship. Although the issue does boil down to cash, Mr Taylor plugs away at the moral argument. "The whole concept of a football league with so many clubs comes down to the distribution of money."

The Premier League, of which the PFA has always been suspicious, is the latest attempt by a minority of big clubs to keep more cash for themselves. The fact is that democracy has not suited the 22 clubs that are about to switch from Barclays League Division One to the Premier League. As one manager put it, the First Division, "which has the gates, the money and the power", was being outvoted by the other divisions.

The row about television fees has come to a head because of the Premier League launch and because ITV's four-year agreement with the Football League is coming to an end. This season, payments from ITV amounted to £14m, of which the PFA got 5 per cent.

Estimates of the amount that the Premier League contract might be worth next season start at £18m, but club chairmen have their eyes on a rather larger sum. Mr Ron Noades, at Crystal Palace in south London, mentioned "a minimum of £30m".

Tackled: a West Ham supporter demonstrates against the club's proposed bond scheme

The pulling power is illustrated by the viewing figures: between 7m and 9m watch The Match on a Sunday afternoon and more than 13m watched Manchester United beat Barcelona in the European Cup Winners Cup last year. And that other ingredient for a rise in fees is also there: an auction. ITV's £18m opening bid is believed to have been topped by a joint approach to the Premier League from British Sky Broadcasting, in which Pearson, owner of the Financial Times, has a stake, and the BBC.

When ITV won its contract to televise league and League Cup matches in 1988, there was a big increase in the annual payment from £3m to £11m, since raised through an inflation link. Mr Taylor may now be regretting the PFA's decision to waive its right to 10 per cent of the proceeds and settle instead for 5 per cent, although if £30m is the eventual fee and the PFA settles for £1.5m the rate stays the same.

Even with £3m of annual payments promised to the present Divisions Two to Four, it will be a poor substitute for the present arrangement, which sees £10m a year distributed on a formula not based on TV appearances. But before the chairmen of the Premier League clubs are consigned to the role of Sheriff of Nottingham, the pressures on them have to be recognised.

Mr Noades said the new deal might add £900,000 to Crystal Palace's income, not to be sneezed at when last year's total turnover was £6m. Of that, £2.8m went in players' wages. He thinks the club does well to cover the wage bill with gate receipts – an enviable position to Palace's tenant at Selhurst Park, Wimbledon FC, which routinely sells players to stem its losses.

On the capital spending side, clubs face a double bind: investment in players to stay in the Premier League and investment in their stadia to meet the Taylor Report's all-seater demands. It is a coincidence borne of the election campaign that, just as the lower division clubs face up to a loss of television income, Mr John Major, the prime minister, and Mr Roy Hattersley, Labour's deputy leader, have said they will consider relaxing the all-seater requirement.

The estimated cost to the 92 clubs was £380m, with much less than half coming from grants – hence a series of bond schemes that have raised the ire of supporters, particularly at West Ham.

The London club is in danger of being relegated out of the Premier League reckoning. And that sobering thought helps to explain why the glamour players in the top division, whatever it is called, have sympathy for their brethren.

As Mr Taylor points out, "65 per cent of Division One players started in the lower divisions and 95 per cent of them finish their playing careers or start in management there".

Doubt on pension asset returns

By Norma Cohen and Barry Riley

SOME UK pension fund managers may be overstating their returns on property investments, the head of a leading performance measurement firm said yesterday.

Mr John Clamp, chief executive of Combined Actuarial Performance Services, said that pension fund performance returns suggested that "there is a problem there".

The CAPS service, which surveyed 2,760 separate portfolios with a market value of £156bn, showed a great disparity between the weighted average returns on property and what is known as the median performance.

The numbers showed that while the median return was 3.8 per cent – the lowest of any asset category in 1991 – returns giving greater weight to larger funds showed returns of -2.8 per cent.

Mr Clamp said that most of the larger funds sought formal valuations of their property holdings annually, but he believed smaller funds were not doing so.

"We have those who quite literally produce back-of-the-envelope calculations," Mr Clamp said. Thus the inflated returns from smaller managers have distorted the picture of average returns.

Separately, CAPS noted a number of significant shifts in pension fund investment last year.

First, funds are increasing their exposure to overseas equities, with the average fund raising exposure to 23.8 per cent from 20.2 per cent in 1990.

The best performing sectors were Pacific Basic stocks, excluding Japan, and US equities. The two produced returns of 35.1 per cent and 32.3 per cent respectively. Overall, median rates of return were 18.3 per cent, inclusive of property.

Also, the trend towards indexation appears to be slowing down, although on average, UK indexed funds outperformed the index they tracked by a significant margin. So-called tracking error is much narrower among managers using index-matching for their overseas portfolios.

ELECTION 1992

Tories seek boost from incumbents

By Alison Smith

SENIOR Conservatives believe the increasing public profile of MPs since the televising of parliament is one factor that gives them confidence in gaining an overall majority, in spite of the trend of opinion polls showing a Labour lead.

One Tory strategist said yesterday this "incumbency effect" – increased by the expansion of regional television, radio and newspapers – gave a better platform than before to effective local MPs.

The incumbency effect is estimated to give sitting MPs an extra 1,000 or so votes, based on a high local profile and the gratitude of constituents who have been helped. Some Tories are suggesting the growth in local media means that the effect in this election may be critically higher than in previous contests.

The party's canvass returns are said to show that there has been only some slight slippage in the party's support since 1987, when it polled 42 per cent of the vote. In individual constituencies, however, that slippage is said to vary quite markedly. The support that is there is also said to be "very determined", in the light of the polls suggesting that even on the most optimistic Tory reading the contest will be tight.

Tories are playing down their expectations from the remaining opinion polls, saying they think people will "keep the pollsters guessing". The party believes that ultimately people will decide how to vote on the basis of which party is best placed to take the country out of recession.

In what is almost an admission of the Tories' failure to set the agenda during the campaign, however, Mr John Major has expressed privately some frustration and regret that issues he regards as serious – such as devolution and Britain's role in Europe – have failed to rise to the top of the political agenda.

In particular, he is said to believe that there has still not been a full debate on the full implications of a series of linked constitutional issues.

Senior Tories do believe, however, that the Tory campaign has succeeded in making stark the difference between the two main parties, although they entered the campaign with many people apparently believing there was little to choose between them.

Tories also take some comfort from their belief that Labour is piling up votes not just in its own safe seats, but also in seats where it merely moves the party from third place to second.

Ashley Ashwood

Convivial canvass: Gerald Kaufman, the shadow foreign secretary (seated on right), signs an autograph for a potential Labour voter while Mike Gapes (standing on the right), the Labour candidate for Ilford South, presses the flesh

Media Watch: Ian Hargreaves

Tabloids suffer pollster's droop

THE IDEAL Home Exhibition. What a piquant setting for a tiff between the Tory Party and the Daily Mail, sponsor of this very English festival of household gadgets and aids to better living.

Mr Major arrived at the exhibition on Thursday to find that he was not, as he supposed, to be welcomed by Sir David English, editor of the normally loyal Mail.

Party officials anxiously recalled Sir David's stern leading article of the previous Saturday, in which he warned the Conservatives they would deserve to lose if they did not "raise their game".

Thus has the matchless barometer of the Tory tabloids lodged at stormy for most of the week.

Central Office's leak of the week was a dull economic tract written for Labour two years ago by an Oxford don. The Mail, putting aside hurt feelings, gave the story "exclusive" front page treatment. When Mr Chris Patten, the party chairman, tried to push the story along the next day, the assembled reporters, I am sorry to report, laughed. Then their news editors consigned the story to oblivion.

Indeed, the tabloids have shown distinct signs of pollster's droop this week. Of the 41 editions published in the last seven days, only 15 have made politics the main story of the day.

The distractions have been royalty – more on Fergie, then the death of Lady Di's father – and would-be aristocracy: "Lady" Rosemary Aberdour, who diverted £3m of her employer's money towards the maintenance of her inventive fantasy life.

This unaccustomed uncertainty of tone in the Tory papers reflects the muddle which has so far characterised Mr Major's campaign.

Somehow even the Sun's offerings this week – revelations about the residences of Mr Jack Straw, Labour's Education spokesman, and the claim that Labour's Harriet Harman takes her children swimming at Dulwich College – have lacked conviction.

Meanwhile, the Mail's Anne Leslie was reduced to likening Mr Kinnock to Mrs Imelda Marcos and Mr Paul Johnson in the Sunday Telegraph concluded a piece entitled "Labour: the party that hates England" with the thought that under a Labour government "real English culture – the culture of Chaucer and Dickens and Turner and Elgar – will have to go underground for the duration, with the risk that it might never re-emerge". Alas, on the same page, Sir Peregrine Worsthorne, former editor of the newspaper, opined that beneath Labour's surface lay "its Ernest Bevin English patriotism, its honest-to-God Englishness".

In a week when Mr Kinnock waltzed through three big TV interviews, these are confusing times for Conservatives. Yesterday's Economist, in its last issue before polling, could only muster as a "best reason" for voting Conservative that if Labour loses, the party will be forced to merge with the Liberals and so pave the way for electoral reform.

It may have been this arresting, if superficial proposition which brought out the contrarian in me. Yesterday morning, on Radio 4's Today programme, Mr Major sounded more confident and positive than in any of his numerous previous broadcasts. Only the previous evening, he had blown a News at Ten interview by repeatedly insisting on the importance of his positive message, while omitting to describe it.

Then I turned to yesterday's Sun, which bold as brass had a front page editorial, urging its readers to swallow their recessionary sufferings and back Mr Major. The argument, not unlike the Economist's, is that "it would have been a hell of a lot worse" under Labour.

Perhaps the Tories are rallying. But if you see Paul Johnson on the Bakerloo line listening to Elgar on his CD-Walkman, you'll know it's all over.

Labour plans early Budget in first parliamentary term

LABOUR yesterday set out its legislative timetable for the first session of parliament, saying it hoped to present its Budget before the end of May.

Mr Jack Cunningham, campaign co-ordinator, said bills would be introduced during the first session to establish a Scottish parliament, abolish the poll tax and ensure freedom of information. These bills would all have their second reading before the summer recess.

"Victory is certainly within our grasp," Mr Cunningham said. But he conceded that no election was over until the votes were cast and promised strong campaigning right up to polling day.

Mr Neil Kinnock said: "We have constructive and realistic policies to deal with the serious problems that the UK faces and will get on with serving our country from the first moment of election to office."

Mr Kinnock said Labour's programme for immediate action included a £1.1bn economic recovery programme to end the recession and to create sustained economic growth.

He detailed increases to old age pensions and child benefit; improvements to the National Health Service, halting its 'privatisation' and an immediate start to use the extra £1bn allocated to the NHS.

There would also be improvements to education, with investment of an extra £600m over the next 22 months, including the provision of a new books grant of £10 for every pupil.

Mr Kinnock said: "The National Institute for Economic and Social Research has studied our proposals and confirmed that our recovery programme will lead to higher growth and cut unemployment by 300,000 as compared with the effects of the Tories' Budget."

Mr Kinnock pledged to extend Britain's influence within the EC, ensuring that Britain was in the "European first division".

Asked about the campaign, Mr Kinnock said later in Southampton: "We are going steady and victorious but not triumphalist."

Quotes of the day

People in a democracy respect a leader who will say: "I have not been right all the way down the line, I have no monopoly of wisdom"

Neil Kinnock

I am humble enough to recognise that I have made mistakes but politically astute enough to know that I have forgotten what they are

Michael Heseltine

Someone once said of John Smith that were he a double-glazing salesman, every house in England would be double-glazed. I'm sure that's true. But would the measurements be right?

Norman Lamont

He (Neil Kinnock) does have the air of a chicken pecking at a lot of corn on the ground when he is speaking

Norman Tebbit

I think he (John Major) chose the wrong people to run the campaign, although I'm bound to say it reminded me very much of the trial of the Titanic we had where even if he'd done it right the Titanic would still have sunk

Dennis Healey

Gladstone had a soapbox, Churchill had a soapbox and they were both elected prime minister

John Major

Simple people use them

Neil Kinnock, on soapboxes

"We're here in case there isn't a decisive result"

Parties spar on in the economic boxing ring

By Alison Smith, David Owen and Ivor Owen

THE WAR of words over the economy raged on yesterday with the Tories stepping up their claims that a Labour administration would have disastrous consequences and Labour hitting out at the Conservative record on insolvencies and unemployment.

The Tory assault was spearheaded by Mr John Major who told a 200-strong crowd at Meopham in Kent: "We have got a very clear choice indeed at this election – a clear choice between recovery under the Conservatives or perpetual recession leading to slump under the policies the Labour party proposes."

With the Tories using the last few days of the campaign to hammer home their message that only a clear working majority for the Conservatives will provide business with the confidence to secure the economic recovery, Mr Michael Heseltine took up the refrain, asserting that Labour's policies would "flatten the economy."

Labour's higher taxes would mean "less take home pay which means less spending which means less work for industry – higher unemployment and no recovery," the environment secretary added.

Recovery would come under the Tories, he said, because business leaders and pension fund managers believed the Conservatives would be best for the economy. For Labour, Mr Gordon Brown used figures from "the government's own insolvency service" to predict that business closures would rise by 67 per cent in the year to April 1993.

Insolvencies would increase to 35,000 from 21,000 if the Tories were re-elected, the shadow trade and industry secretary projected. He challenged ministers to confirm that the insolvency service's budget was set to rise from £39m to £49m in the coming year.

"I challenge the prime minister to admit that Conservative policies mean not only will unemployment continue to rise for many months to come but so too will business closures and bankruptcies," he said.

Mr Tony Blair, another of Labour's frontbench stars, used figures gathered from British embassies to show London was vying with east Berlin for the title of unemployment capital of the major industrialised economies.

According to the figures, unemployment in London rose by nearly 54 per cent in the year to February, compared with an average of 14.2 per cent in the 16 cities covered. The data "flatly contradict the complacent mumblings of Mr Major about a recovery being under way and show the urgent need for action on industry, employment and training," the shadow employment secretary said.

For the Liberal Democrats, Mr Paddy Ashdown said that neither Labour nor the Tories had put forward serious plans for ending the recession.

"All they talk about is tax," he said.

His party's proposed £6bn package of public investment to create an estimated 600,000 jobs over two years would be backed by a anti-inflation strategy, including an independent central bank.

No deals, says Plaid Cymru

PLAID CYMRU, the Welsh nationalist party, yesterday declared that it would not enter any political deals with the London-based parties if there were a hung parliament, Anthony Moreton writes.

"Our priority is that a Welsh parliament should be set up within a year of a new government taking office," said Mr Dafydd Wigley, the party's president and MP for Caernarfon in the last parliament.

But Mr Wigley did leave the door ajar.

"There is no question of Plaid Cymru entering into a coalition," he said. "Our MPs would keep their hands free to consider every issue in the House of Commons on its merits. We will consider the proposals in the first Queen's Speech of the new parliament in the light of the policies in our manifesto."

Plaid Cymru held three seats in the last parliament.

Mr Wigley was speaking as an NOP poll for HTV television suggested that Labour would win the Tory-held marginal Cardiff Central by a big majority.

Owen acts to save his old friends from the axe

By Roland Rudd

DR DAVID OWEN, former leader of the Social Democratic party, is expected tomorrow to endorse Mr John Major, even though he will not vote Conservative.

Dr Owen's decision has been influenced by loyalty to Mr John Cartwright and Mrs Rosie Barnes, who are standing again as Social Democrats – they face strong challenges from Labour in the south London seats of Woolwich and Greenwich – and by the campaign itself.

Dr Owen has told Mrs Barnes and Mr Cartwright he will vote Liberal Democrat in Bow and Poplar, in east London, where he lives, as a tactical move against the hard-left Labour incumbent Mrs Mildred Gordon, who had a 4,631 majority over a Liberal in 1987.

But Dr Owen, who is standing down from his Plymouth Devonport constituency, believes he can square his tactical vote with a personal endorsement of Mr Major. Dr Owen's friends argue that even Liberal Democrats accept that the next prime minister will be either Mr Major or Mr Neil Kinnock.

Dr Owen's endorsement of Mr Major, regardless of the strings attached, will be welcomed by the Conservatives.

Mr Peter Gummer, chairman of the public relations firm Shandwick, who is advising the prime minister, believes that Dr Owen's endorsement may persuade many "don't knows" to vote Conservative.

Mrs Barnes, defending a 2,141 majority in Greenwich, said: "Everyone knows Mr Paddy Ashdown is not going to be prime minister. If forced to make a choice (between Mr Kinnock and Mr Major) I would reluctantly come down on the same side."

Mrs Barnes believes she has already squeezed the Labour vote as much as she can in the working class estates.

She hopes Dr Owen's endorsement of Mr Major could be to her advantage in Conservative Blackheath, where the former SDP leader is due to canvass over the weekend.

But any benefit to her from the soft Tory vote may be offset in Labour wards, where the party is expected to use an Owen endorsement of Mr Major to tar Mrs Barnes as a "closet Conservative".

In neighbouring Woolwich, which Mr Cartwright held with a 1,937 majority in 1987, the social democrats believe there is less opportunity to target the conservative vote. Thus Mr Cartwright can see few personal benefits in Dr Owen endorsing Mr Major.

Mr Cartwright, who is likely to join the Liberal Democrats, received a warm endorsement from Mr Ashdown.

He says Labour may "try and misrepresent" an Owen endorsement for Mr Major as proof that he too is a Conservative, but he remains confident that Mr Ashdown's support and the fact that Dr Owen is voting Liberal Democrat will blunt any attack from Labour.

● A Harris poll for London Weekend Television yesterday put Labour and the Conservatives neck and neck at 40 per cent – wiping out Labour's two-point lead of a week earlier – and the Liberal Democrats on 18 per cent, up one point.

The strategists fail to locate the majority of voters

Women's issues have been given little airing in the campaign, writes **Christian Tyler**

WOMEN constitute the biggest minority in British politics. Indeed, they are actually a majority of the electorate. But whether there is such a thing as "the women's vote" is another matter.

The fact that women voters outnumber men is duly recognised in the main parties' manifestos, yet women's issues have been given little airing. The politicians may dream of capturing the female vote, but their strategists cannot seem to locate it.

Surveys suggest that women do think differently about political issues at voting time – and the 'War of Jennifer's Ear' seems to have driven them towards the Liberal Democrats in recent days.

However, history shows that the difference does not give any party a clear advantage: psephologically speaking, women's concerns cancel out.

There was a small but visible gender gap 20-30 years ago, according to Dr Anthony Heath of Nuffield College, Oxford, co-director of the British Election Survey. "But I haven't seen much sign of one now." What was a pronounced bias in favour of the Conservatives has been dwindling since 1974, and disappears altogether if adjustment is made for the biological fact of women's longevity.

Dr Heath suggests there may be sub-categories where political choices are more marked: among young, highly-educated women, for example. But he has not detected any macro-effect.

When asked by the pollsters to list their priorities, women unfailingly put "caring" concerns at the top: they want more tax relief for looking after old people, more investment in the health service, more nursery school places or subsidised child care, followed by more part-time job opportunities.

These demands would seem to give Labour or Liberal Democrats the edge; yet on the other side of the scale weigh issues such as law and order – the urban woman's fear of attack is hard to overstate – which are natural Tory territory.

Perhaps this self-correcting bias in the "women's vote" explains why party leaders are insouciant about another feature of women's political behaviour before polling day: the large percentage who are 'don't knows'.

For example, Gallup's first poll of the campaign for the Daily Telegraph found far more women than men uncommitted on all but three of 45 questions put.

Professor Anthony King, of Essex University, has suggested that men feel more bound to express a view. Many men who claim to have opinions may be "merely showing off". Mr Heath thinks women may be generally less interested than men in politics. "Perhaps men only worry about things they cannot control while women are the opposite."

The sex of candidates and ministers makes little difference to the voters, for all the inter-party rivalry about whose gender record is better.

A recent NOP poll for The Independent found that 83 per cent of women were indifferent to the sex of their candidates (compared with 90 per cent of men). A smaller majority – 58 per cent of both sexes – said Britain would be no better or worse governed if women had half the seats in the House of Commons and in the cabinet.

The toppling of Mrs Margaret Thatcher as Conservative party leader has, however, made more of an impression on women than on men. Broadly, they are happier with Mr John Major.

The Tories are making little of the women's vote. They have a spokesperson on women's issues – Mrs Angela Rumbold, junior Home Office minister – but she is not sure there is a women's vote.

"Everybody says that child care is what women want," she says. "But for every woman who asks for child care, there is another who may resent the idea."

The Tories think that to offer more than they already have – tax relief on child-minding provided by an employer – would be expensive and of dubious electoral benefit among their older female supporters.

Instead, Mrs Rumbold attacks Labour's promise of a statutory minimum wage (which Labour thinks will be especially popular with women) as a threat to the part-time jobs that many working wives depend upon.

The Conservatives are trying to convey a positive image while fighting shy of anything that smacks of tokenism. So they have proposed a "special unit" inside the Department of Employment to monitor women's opportunities, while dismissing Labour's proposed ministry for women as patronising and unworkable.

Ms Jo Richardson, who would probably become Labour's first minister for women, agrees that there is "no such thing as a woman's issue separate from a man's issue." But she claims the idea of a separate ministry or reserved cabinet seat is popular, even with men, in Labour's private polling and has proved its worth in other countries, such as France, Germany Austria, Jamaica, Zimbabwe and New Zealand.

"We have had 13 years with no women's voice in the cabinet and no real woman's voice: I don't count Mrs Thatcher as a woman's voice," Ms Richardson says.

Labour says it will persuade local authorities to provide nursery schooling for three and four-year-olds, and child minding for mothers who want it. Ms Richardson hopes to steal the Tories' clothes on law and order, too. "We want to see more policemen on the beat and better street lighting. We are very much going down that road."

The Liberal Democrats' champion is Ms Ray Michie, their sole woman MP, who represents the farmers and fishermen of Argyll and Bute. The party promises child care vouchers worth up to £75 a week and a bigger say for women at Westminster (and in the proposed Scottish assembly) through proportional representation. But Ms Michie dismisses a women's ministry as "almost tokenistic".

ELECTION 1992

Smith rounds on SNP as poll gives it 31%

By James Buxton, Scottish Correspondent

MR JOHN SMITH, the shadow chancellor, yesterday warned that Scots would be playing into the Conservative party's hands if they voted for the Scottish National party. The only way to get rid of the Tory government was to vote Labour, he said.

He was speaking in Glasgow following publication of an opinion poll showing support for the SNP at 31 per cent, its highest level since 1989 and only seven points behind Labour on 38 per cent.

The poll, by Market Research Scotland for Grampian Television and the Aberdeen Press & Journal newspaper, put the SNP four points above their level in other recent polls and Labour about four points below. Mr Murray Elder, Labour's Scottish organiser, said there was "no underlying evidence that this poll is a fair reflection of where we stand."

Mr Smith said: "A vote for Labour is a vote for a Labour government in just seven days' time. Scots voters must now ask why make a protest when you can make a difference?"

Labour fears that strong support for the SNP could enable the Conservatives to hold seats by reducing the Labour vote. A letter from Mr Ian Lang, the Scottish secretary, to Mr John Major, which was leaked to Labour, showed the Tories wanted to use the SNP for this purpose.

Mr Alex Salmond, leader of the SNP, claimed yesterday that his party was on course for an election victory which would end "Conservative colonial rule" in Scotland.

Mr Smith said a Scottish parliament, which a Labour government intends to set up in its first session, would not have a say in macroeconomic policy. Its contribution to economic development would be mainly through training, education and local authorities. The Scottish parliament would mean democratic control in Scotland of powers which were already devolved administratively to the Scottish Office.

This appeared to confirm the thrust of a paper by economists on the economic effects of constitutional change in Scotland published this week by Bell Lawrie White, the Edinburgh stockbrokers, which said a devolved Scottish parliament would have limited economic powers, contrary to the claims of many of its supporters.

At a campaign meeting in Newton Stewart, in his marginal constituency of Galloway and Upper Nithsdale, Mr Lang attacked the SNP as the "cutting crew" of Scottish politics. "A separate Scotland would have an annual budget deficit starting at £5bn. That is £1,000 a year for every man, woman and child in Scotland," he said.

"Because of that deficit, public spending in Scotland would be cut. So the health service would be cut. Schools would be cut. Housing would be cut. Roads would be cut."

Taxes would have to rise to fund the vast deficit a separate Scotland would incur, he warned.

Whiff of success may turn out to be a lemon

Ralph Atkins and **Richard Tomkins** on why the Lib Dems may be winning the campaign but losing the election

DIRTY CUPS and packets of microwave curries litter the Liberal Democrats' Cowley Street headquarters. Boxes of fruit block landings in the red-brick Westminster building. Offices overflow. The party's staff and volunteers do not care.

In a political tale of David versus two Goliaths, the third party's slingshot has forced Labour and the Tories to wobble. Liberal Democrats are relieved they have not been squeezed, pleased at the attention they are receiving – but, understandably, not quite sure what happens next.

Mr Paddy Ashdown, the zest-filled leader is on a high, surviving on a few hours sleep and the odd cigarette snatched out of camera shot. The swing against the Conservatives and a trend towards tactical voting will almost certainly win seats but Labour may also benefit from exceptional swings in some areas.

Mr Des Wilson, campaign director, has brought professionalism and pyrotechnics to campaign rallies and photo-opportunities, in contrast to the Alliance's disastrously disorganised 1987 election campaign.

But there remains the air of an infant party, chuckling at its successes but unproven in high political drama of the sort that a hung parliament would create. Tensions among MPs of the last parliament over Scottish devolution and on the toughness of terms for coalition government are palpable.

Less excitable insiders do not expect the party's share of the vote on Thursday to be more than a few points higher than its current 19 per cent rating in the opinion polls. Mr Ashdown openly admits he expects Labour or the Conservatives to attempt minority government.

Third-party politics has always been, the art of believing the impossible and, from the campaign's outset, the party has successfully defied political gravity. Mr Ashdown knew he had to be bold, but the border is fine between bravado and recklessness.

His pledge of a penny on income tax for education was vulnerable to a Conservative obsession with opposition parties' fiscal intentions. The decision to stand aside from the row over Labour's health broadcast, and a macho leader's tour taking Mr Ashdown to as many places in the time available, add to the impression of a zany strategy that, perversely, happens to work.

The education promise scores highly in opinion polls. There is also popular support for higher environmental taxes, Scottish and Welsh devolution.

The small, over-stretched, campaign team, has not been plagued by the intemperate squabbles of 1987. The irrepressibly enthusiastic Mr Wilson is teased, not detested. Mr Bob Worcester, chairman of Mori, says Mr Ashdown, "is winning the campaign, if losing the election".

That is the paradox facing the Liberal Democrats. National campaigning prowess does not automatically translate into parliamentary representation under the first-past-the-post electoral system the party is so keen to change – even in the supposed Liberal Democrat heartlands.

Seats such as Portsmouth South and Hazel Grove, in Manchester, with Tory majorities of 205 and 1,840 respectively are high on the Liberal Democrats' target list. While in many other seats the Liberal Democrat will breathe heavily down the necks of Tories there are few seats where the margin is so slim.

Bath (held by Mr Chris Patten, Tory chairman), Cheltenham, Richmond and Barnes, should topple easily but having been targeted for so many general elections, there is a sense of incredibility in tipping Liberal Democrat wins this time.

Gains are more likely in places such as North Devon, dominated by agriculture and tourism. Held until 1979 by Mr Jeremy Thorpe, former Liberal leader, a 4.1 per cent swing would oust the Conservatives.

Other wins will depend on the precision with which the Labour vote is squeezed in seats where the Alliance was second in 1987, and how local factors are exploited.

Take Falmouth and Camborne, in Cornwall. Superficially there is no reason to put it higher than a "good prospect" but Cowley Street is extremely hopeful because of the local factors.

Colin Beere

Eyes on the prize: Des Wilson (left) and Paddy Ashdown facing up to the Conservative and Labour party Goliaths

Hugely popular for his maverick, pro-Cornish stance, the retiring Tory MP, Mr David Mudd, (majority 5,039) at the last election, could have been confident of retaining the seat. His replacement, the Olympic gold medallist, Sebastian Coe, is an odd choice for a county where a candidate's Cornishness matters at least as much political affiliation.

Labour and Liberal Democrats have been galvanised into a fierce fight. The Liberal Democrats start from a stronger base: they may also capture the personality vote with their Cornish candidate Mrs Terrye Jones, the articulate and well-known local council chairman.

Cowley Street knows it has to fight on more than one flank. It is defending 22 constituencies and is prone to Labour's advance since 1987, which could cost seats such as Inverness, Rochdale near Manchester, Southwark and Bermondsey in London, and Liverpool Mossley Hill – all of which depend on the strength of the local candidates. Net gains in parliamentary strength of more than about half a dozen look improbable.

So, if in the sobering light of Friday morning, neither Mr Kinnock or Mr Major are able to command a majority, Mr Ashdown's promises of how he would seek to influence the government may begin to smack of arrogance.

Paradoxically, the tough terms set by Mr Ashdown could prove his saving. He knows the difficulties he will have in holding Liberal Democrats together in a coalition. The diversity of local factors which propel its MPs to Westminster, give a complex look to the parliamentary party.

Pacts with Labour and the Tories are equally dangerous. Mr David Bellotti, the victor of the 1990 Eastbourne by-election, risks alienating his voters if he lets Labour in. Mr Simon Hughes, environment spokesman, has publicly expressed his scepticism over a deal with the Conservatives.

The lesson of the 1977-78 Lib/Lab pact is that internal pressures could become irreconcilable but a tough position, which ruled out a deal might keep the party in one piece.

In a hung parliament, minority government with the instability and indecision of which Mr Ashdown has often warned, would become reality. Electoral advance would not have won him any influence.

He may have sold the electorate a lemon.

This Week's Campaign: **Philip Stephens**

Leaders put faith in gaining voters' trust

MR JOHN MAJOR climbed on to his soapbox, Mr Kinnock into his Daimler. Mr Paddy Ashdown stood on a self-made pedestal. The voters said they had not made up their minds.

If there was a single lesson to be drawn from the final full week of the campaign, it was that the outcome depends still on where the electorate strikes the balance between fear and resentment. For the moment, resentment of the Conservatives' economic record has an edge over fear of Labour's socialist past.

Mr Neil Kinnock travels the country in the style of a prime minister. Still a man of the people, but one who has earned the right to a black limousine and police outriders by rescuing his party from extremist oblivion. Labour's image-makers – the best by far in the business – have sculpted his front-bench team into a cabinet-in-waiting. Mr John Smith has the manner of a man who became chancellor some time ago and is waiting only for the voters to rubber-stamp his reappointment.

In Mr Kinnock's entourage there is confidence that the Conservatives are beaten; but less certainty that he will lead a majority government on April 10. The Labour leader has told senior colleagues that there can be no fumbles during the last few days. They want him to rein in his frequently careless exuberance.

He is cheered by two things. The message of the opinion polls – public and private – is that the voters' preoccupations are Labour's issues. Unemployment, health, education and the poll tax top the list of concerns. Tax, defence, trades unions and law and order – the issues at the heart of Mr Major's campaign – strike fewer chords in a recession.

More important, Mr Kinnock's advisers insist that all the evidence suggests that their support has stayed firmly on the right side of 40 per cent through the campaign. They calculate that the same figure on April 9 would put Mr Kinnock in Downing Street, even if it did not give him an overall majority.

Labour's glitzy campaign – jolted last week by the row over its controversial health broadcast – is now back into a steady stride. Its themes are self-reinforcing.

After 13 years, there can be no more excuses for the recession, the poll tax or the run-down of the welfare state. Labour's alternative is sober, responsible and modern. The voters will get what they see – the tax changes set out in last month's shadow budget and the legislative programme outlined in yesterday's draft of Mr Kinnock's first Queen's Speech.

The Labour leader has been careful to stress he is not seeking unfettered power. His conciliatory language this week on electoral reform was aimed at voters in the centre ground rather than Mr Ashdown.

Together, those threads create what remains the campaign's most potent slogan: "It's time for change".

Mr Major has not given up. The crop of opinion polls earlier this week showing a decisive Labour lead created near-panic in Central Office. At least one cabinet minister was ready to speculate on whether Mr Michael Heseltine or Mr Kenneth Clarke would succeed Mr Major as leader in opposition. Veterans of previous campaigns complained that Mr Chris Patten's effort was a shambles.

The subsequent surveys showing Mr Ashdown's Liberal Democrats drawing support from Labour as well as the Tories steadied nerves. By last night the view of senior ministers was that the election had not been won this week for Mr Major, but neither had it been lost.

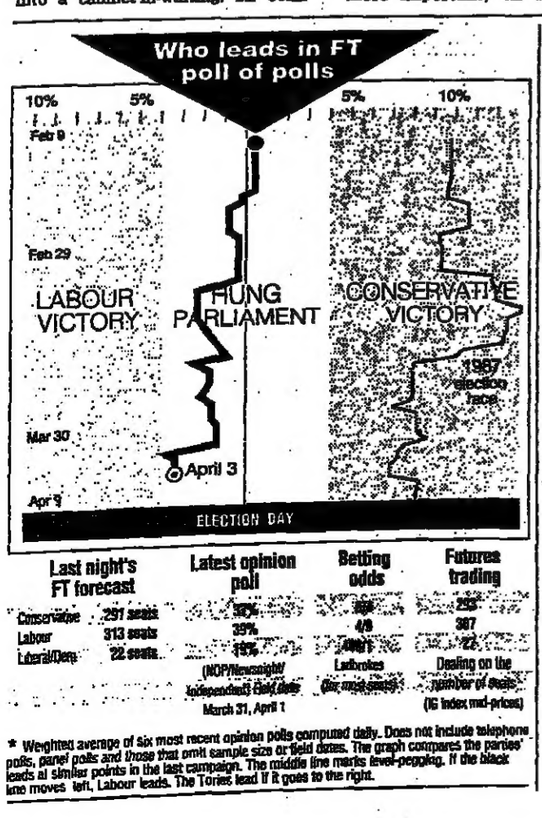
The theme for the final week – still based on the slogan You Can't Trust Labour – has at last been set in a coherent framework. Higher taxes, rising mortgage rates and a return to state intervention would stifle an emerging, if still scarcely visible, economic recovery.

Mr Major's soap-box appearances in market squares around the country are incomprehensible to political sophisticates. But the message from his party activists is that the voters much prefer them to the prime minister's occasional attempts to emulate Mr Heseltine. So the sharpest attacks on Mr Kinnock's fitness for office – still, the Tories insist, an issue on the doorstep – are being left to the environment secretary.

The strategy is to frighten waverers back into the fold: to persuade the stay-at-homes and would-be Liberal Democrats that there is no other choice but Mr Major or Mr Kinnock. Party activists insist that there are enough floating votes to be won back to deny the Labour leader the keys to Downing Street.

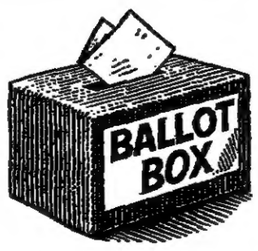
Perhaps. But Mr Ashdown's decision to stand above the two-party fray has so far hurt the Tories more than Labour. There can be no certainty that Mr Heseltine's red-blooded attacks on Mr Kinnock will not intensify the mood of disenchantment from which the Liberal Democrats have prospered.

The election may not have been lost to the Tories. But next week Mr Major will no longer be able to content himself with a campaign that does no more than prevent Mr Kinnock from extending his lead.



* Weighted average of six most recent opinion polls compiled daily. Does not include telephone polls, panel polls and those that omit sample size or field dates. The graph compares the parties' leads at similar points in the last campaign. The middle line marks level-pegging. If the black line moves left, Labour leads. The Tories lead if it goes to the right.

Foot starts his last pilgrimage



Michael Foot, the grand old man of Labour politics, is to spend the next six days on a valedictory stump of Wales, the country that resurrected his political career in 1960 and subsequently virtually adopted him.

Yesterday he retraced his steps to Monmouth where as a young man of 22 he first entered the hustings at the 1935 general election. From there, the 78-year-old former leader of the party travelled to Montgomery and today he is in Clwyd South-West. Further stops will take him on via Caernarfon, Ynys Mon (better known as Anglesey), Pembroke, Gower and Brecon and Radnor before, on polling day, he reaches his political home for the past 32 years in Blaenau-Gwent.

The place used to be called Ebbw Vale. It was there that Foot wrote his biography of his friend and mentor Nye Bevan and it is from there that he will say goodbye to British politics.

Ineffectual dons

University dons have never been bosom pals of the Tories. Remember the litany of 365 economists savaging Sir Geoffrey Howe in 1981, not to mention Oxford's ostentatious refusal to award an honorary degree to Margaret Thatcher.

Yesterday's attack on the government by 900 dons – 115 of them from Oxford – is therefore par for the course. So are polls suggesting that the Tory don vote has fallen a third behind the Liberal Democrats – down to a meagre 17 per cent.

Might one dare to ask, quite what the dons expect to get out of a Labour government? Jack Straw's spending plans would add 0.7 per cent to the education budget – and even that is to go mainly to primary schools, not Oxbridge high tables. Where are the 100,000 extra students planned for the next decade to go? And who is to teach them?

Just as well, perhaps, that Straw was made a visiting fellow of Oxford's Nuffield College *before* the election.

Football crazy

John Major is not interested only in First Division Chelsea. The prime minister is believed to be on the brink of offering help to the Third and Fourth Divisions in the football league.

The clubs are under instructions from the Taylor report to introduce all-seater stadiums by August 1999, and some say they can't afford it. Major is sympathetic and is suggesting that Taylor should not be taken too literally among the lower orders. Roy Hattersley, a staunch supporter of First Division Sheffield Wednesday, was also offering help yesterday. This, of course, has nothing to do with the general election.

Tory doctors

Perhaps surprisingly, given everything that you read, the Tories are *still the favourite* political party of the family doctors. According to a poll in today's *Pulse*, the weekly magazine for GPs, 29.8 per cent of them say that they will vote Conservative on Thursday. That compares with 24.8 per cent for the Liberal Democrats and only 17.8 per cent for the Labour party.

On the other hand, more than 45 per cent of the doctors said they had voted Tory in 1987. Still, 52 per cent of them favour Tory tax policies.

Smith's timing

John Smith, the shadow chancellor, does not always behave as impeccably in Scotland as in England. At a press conference in Glasgow yesterday, he arrived almost 20 minutes late and the chairman brought it to a premature close after an *Independent* reporter persisted with a question. Smith then gave TV interviews, although he later had the grace to sit down for a few minutes with some of the journalists.

Indeed, the Labour party in general is being a bit peremptory with the Scots. The launch of the party's Scottish manifesto in Edinburgh a few weeks ago also started late and the questioning was curtailed almost as soon as it had begun.

● Labour win/Conservative defeat stocks.....96.41 - 0.41
● Conservative win/Labour defeat stocks.....88.82 - 1.36
● FT-SE (rebased).....94.43 - 0.94

SHARES that might gain from a Conservative victory dropped below the 90 mark for the first time, losing more than a point to close down 11 points since the campaign began.

"Labour gainers" also fell, but only a third as far, and are only 3½ points down on the campaign so far.

***As in recent days, the* FT-SE index of big company stocks fell less than the Conservative portion of the index, but more than the Labour side.**

Heading towards a hung family

With five days to go before *polling day, Paul Cheeseright* returns to the Martins, the FT's family of floating voters, to gauge the effect of the party campaigns.

OLD wounds re-opened in the Martin household this week. The knife to the scar was the Duke of Westminster's poll tax bill of £68. As that is little more than a third of the bill facing Russell, 18, on £4,500 a year and 80p a month over the limit for a rebate, the family was angry and highly critical of the government and the poll tax. "It really got me," said Lyn, Russell's mother.

"It's got my back up over the Conservative government," rejoined first time voting Russell.

"Bills. We're getting ours through now. The Conservatives should have scrapped it straight away," complained Tony, father of the family.

"It's the one big mistake of the Tories and they'll never live it down," Lyn came back.

"They've spent billions trying to get it right, but it's the government's job to get it right first time," said Russell. "It's the number one influence."

"But it's over now," Lyn reminded him. And so it is. The poll tax does not figure much in the party political debate, but the bills plopping through letter boxes are a reminder of one of Mrs Thatcher's less adroit moves, part of the record which will be judged by floating voters such as the Martins.

For them, it has not been a very satisfactory week as the debate has twisted from issue to issue. The tax issue came up again, of course. The Martins rather like Mr Ashdown's honesty in his commitment to put an extra penny on income tax to pay for education.

"The only thing that has come over to us," Tony remarked of the Tory campaign, "is that they're trying to put income tax down to 20p, but they haven't said when."

As for Labour's plans to tax higher incomes more heavily, Lyn said, "That would never affect us. It wouldn't sway us not to vote for them."

"The Tories have brought taxes down," Tony observed. "It's six to one, half a dozen the other," shrugged Lyn.

"To get the country right, you've got to pay for it," Tony persisted.

"The way the people will vote depends on how much they've got in their pay packets at the end of the week," Russell said dismissively.

Still, the Martins accept that the economy is the central issue. They remain uncertain about the political approach to it. "We know we're in a recession. No party is going to come in, wave a magic wand and all the figures will change," Tony said.

"It'll be a long haul for everyone," Lyn agreed.

Tony put his priority on the line: "What they've got to do is to stop the job losses."

Lyn didn't think Labour plans for a minimum wage would help employment. "That's not going to create jobs," she argued.

"It's going to put people out of jobs," asserted Tony, adding, on general economic policy, "Nobody has come through."

"You can't say anybody's got it sorted," said Lyn. But as the Liberal Democrats have become the butt of Labour and Conservative attacks, sympathy, even enthusiasm, for Mr Ashdown came through.

Tony began to hoist his colours: "Of the the three leaders, Paddy Ashdown would make the best prime minister if his party was stronger."

"I've said all along that if you vote for the Lib Dems, you take it off John Major," Russell warned.

"They're quoting 47 per cent of the people wanting to vote Liberal Democrat," Tony came back.

"The polls aren't proving that," Lyn reminded him.

Russell was cautious. "My heart is telling me to vote Liberal Democrat, My head is telling me to vote Conservative. But, saying that, Labour has come up with a good . . . "

"Some of the things Labour have come up with make sense." Lyn picked up the sentence.

"A coalition . . . " Tony half formed the thought.

"Kinnock is so domineering," Lyn responded. "But I don't think he'd get it. At least Paddy Ashdown is his own man. He's doing it for the country. He's got his views and he sticks to them."

"He's come over honest. He's the common man's choice," Russell agreed.

FINANCIAL TIMES

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The City holds its breath

IT HAS been a grim week in the City of London. The FT-SE 100 Index has lost more than 65 points and gilt-edged have continued to weaken. Sterling took a late dive yesterday and has lost more than 2 pfennigs on the week. There is no glummer place in Britain than the City, as Labour apparently strengthens its position in the closing stages of the election campaign. But to what extent does the Square Mile's gloom reflect a genuine reaction to national economic prospects under Labour, as opposed to the personal anxieties of City practitioners over the sharply increased personal tax burden that would await them under a Labour administration?

Taking the country as a whole, the impact of the proposed redistribution of taxes will be a matter of minuses and pluses. But in the south-east of England the losers will predominate, and nowhere will this be more true than in the City of London. Heavily-mortgaged City workers face a double threat to their capital as well as their income, because the cut in take home pay may well be compounded by further weakness in the already battered London and Home Counties housing market.

The tax argument can, of course, be taken rather further than its personal impact. The financial markets have become much more international over the 13 years since Labour was last in power. Heavy volumes of foreign equities are traded on the Stock Exchange's SEAQ International market. There are big markets in international bonds, for which the City is the leading European trading centre. London is the largest global centre for foreign exchange trading. In order to participate in these dynamic markets, many international companies and individuals have come to London. There is a danger that high levels of personal taxation will persuade them that they might be better off elsewhere.

Fat cats

A squeeze on the City fat cats will not arouse much sympathy in, say, the north-east or in Scotland. Londoners have enjoyed rich times under successive Conservative governments: they scarcely noticed the recession of the early 1980s. And there is a respectable, if flawed, argument for saying that an overdeveloped international financial centre may have damaging effects on the domestic economy if it draws too many talented people and too much capital away from home markets.

Labour does not appear to have an anti-City policy as such. Indeed, its manifesto argues that the future European Central Bank should have its headquarters in Britain. But it does not appear to have considered whether foreign institutions can be attracted to a country which charges – at 59 per cent – one of the highest marginal rates of income tax in Europe.

In the 1970s, it is true, nominal tax rates were even higher, but they were quite easily avoided. Large tax allowances were available on mortgage interest and pension contributions. Perks such as company cars were highly tax-efficient. And foreigners enjoyed a special tax regime: only half their income was taxed in the UK. The Conservatives subsequently cut the top rates, but they also capped or axed most of the tax breaks, including the foreigner's exemption. Labour's increased rate will therefore bite very hard indeed.

Financial regulation

Technology has advanced tremendously too. Computers can communicate almost instantaneously between different centres. International financial services groups can quite easily relocate people and functions according to shifts in relative costs.

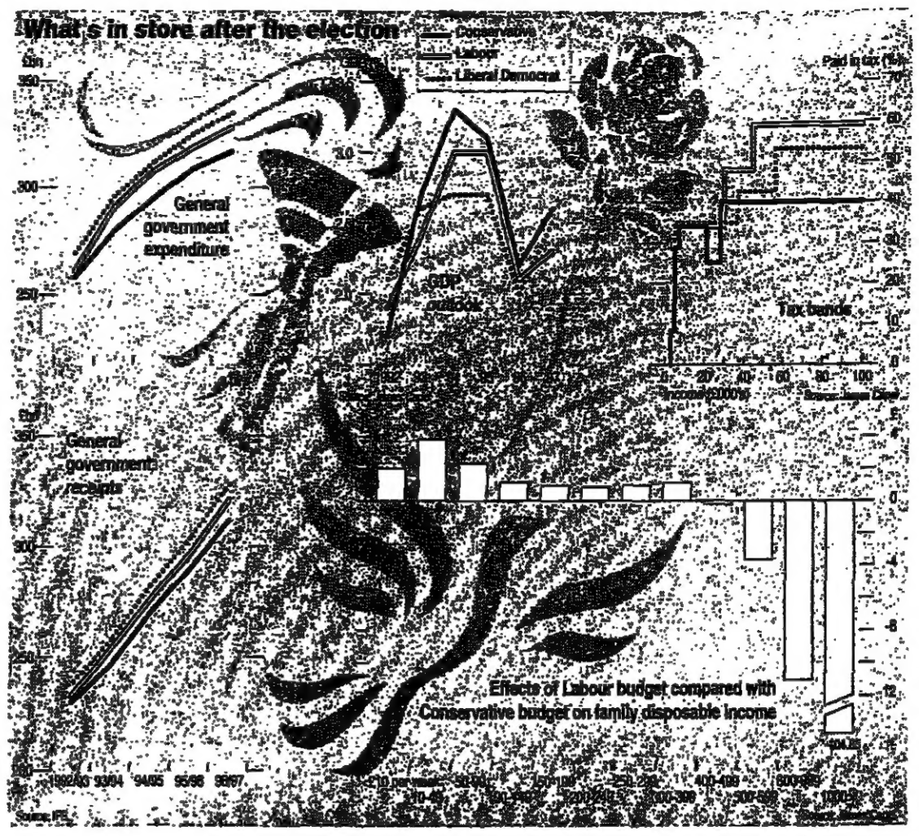
Nor does London have quite the regulatory advantages that it enjoyed in the 1960s and 1970s. Then, centres like Frankfurt and Paris were inward-looking and quite hostile to international operators. London seized the opportunities. Now Paris has become aggressively international and Germany is touting the concept of *Finanzplatz Deutschland*. All the EC centres are coming within a harmonised framework of financial regulation.

In recent years, governments have found it hard to impose taxes on international financial markets. Germany had to withdraw legislation on bond withholding tax and the UK was forced to climb down on the rate of stamp duty it attempted to impose on American Depositary Receipts. Governments also need to be mindful of the international implications of personal tax rates. The potential tax revenues may be alluring, but they will prove to be a moving target.

It would be bad enough for a Labour administration to attempt to downsize the City of London for reasons of deliberate policy: for it to take the risk of crippling Europe's premier financial centre thoughtlessly would be absurd. In practice, a Labour chancellor might well have to offer tax concessions to foreigners in order to prevent high-paid financial practitioners from drifting away to Frankfurt, Paris, or New York. It may be hard for immobile British politicians to comprehend, but levying high taxes on practitioners in international financial markets may be one thing, collecting them quite another.

Britain's political parties are still divided on markets and taxes, writes **Peter Norman**

Double visions of the UK economy



For Mr John Smith, it was a glimpse of a better future.

The shadow chancellor's eyes lit up as he watched 39-year-old Kathleen Jennings operate her computer-controlled milling machine in the engineering workshop at the Midland Oak Skills and Technology Centre in Brierley Hill near Birmingham. "Making goods and providing services that people round the world want, that's what Britain should be about," he said.

By contrast, chancellor Mr Norman Lamont's campaigning in the Birmingham area the day before took him to a one-man cake business to emphasise the government's support for individual enterprise.

Understandably for a country mired in recession, the election campaign at the national level has focused on the main parties' respective claims to manage the UK economy more successfully.

But the campaigning in the West Midlands neatly captured the fundamental differences in attitude that exist between the main parties over individual responsibility and the power of the state to control market forces in the economy.

The possibility of a Labour government or a hung parliament makes this election the most important for Britain's consumers and businesses since 1979. Overarching divergences on economic philosophy between the Tories on the one hand and Labour and the Liberal Democrats on the other could result in Britain having a very different economy if the government changes and if the next parliament runs its full course.

In spite of a retreat from radicalism by both main parties, Labour retains a belief that the state should influence how individual lives are arranged and that society is best served by a distribution of wealth from "rich" to "poor". The Conservatives, although they have expressed it poorly, want to vest more responsibility in the individual and promote ownership, and are more interested in the creation than allocation of wealth.

These differences have been exaggerated by the parties' regional biases. Mr Neil Kinnock's new model Labour party is staffed by northerners and Scots from the UK's lower-cost, lower-paid manufacturing regions. As a result, it has little reason to sympathise with the conspicuous consumption of "Essex man" and his cousins in the south-east of England which was fostered during the boom of the 1980's.

However, what really differentiates the parties is their attitude to the market. The Conservatives work from the presumption that market mechanisms and incentives should be allowed to do their job except in cases of manifest market failure or where a service – the most obvious being defence – is clearly for the public good. Both Labour and Liberal Democrats wish to influence the market. The Liberal Democrats say that "the market should be our servant, not our master", while Labour claims that modern government has a "strategic role to ensure that the market works properly".

Labour has therefore reserved the right to interfere in broad sectors of the economy, usually with the aim of guiding and supporting producer interests. The Tories, in spite of drifting under Mr John Major away from the more rigorous free market precepts of Mrs Thatcher's governments, want the consumer to be king and call the shots.

That Labour has no instinctive affinity for the market economy has been demonstrated by politicians on the stump and in its policy papers. On an election phone-in programme this week, Mr John Smith was uncharacteristically lost for words when asked how he would resist the temptation to alter interest rates on the grounds of political expediency. A politician steeped in the laws of the market would have answered that in a world of unhindered capital movements, such imprudent action would swiftly be penalised by financial market pressures.

The Labour manifesto is full of interventionist pledges of varying merit. It promises action to help industry as a top priority for lifting Britain out of recession; "an investment decade" and "a coherent national training policy" to rebuild the UK's manufacturing strength. It includes plans for a minimum wage in spite of evidence from independent economic research institutes that there are better ways to alleviate poverty. Labour would also "manage credit sensibly" and "stop excessive price rises in water, electricity, telephones, transport and National Health Service prescriptions".

The rival tax proposals of Mr Lamont and Mr Smith underline the two leading parties' differing perceptions on incentives and how best to strengthen the supply side of the economy. Mr Smith has never wavered in his belief that Labour's plans to increase significantly the tax burden of people earning more than £22,000 will have no effect on economic efficiency or that his proposed £1.1bn recovery programme for industry will spur investment and growth. Mr Lamont's theme since his March 10 Budget has been that increases in top tax rates make no sense at this stage of the economic cycle.

On the other hand, the length and depth of the Tories' second recession show that market forces can be a cruel and crude taskmaster for a government that fails to master the challenges of deregulation and liberalisation. Britain's crumbling infrastructure and the lack of coherent government in London are also examples of how too narrow a definition of the public good has allowed problems to emerge that are damaging Britain's ability to be economically competitive.

Despite their fundamental differences, no single party is likely to make much difference to the key indicators of Britain's economic health over the next five years. The scope for macroeconomic manoeuvre is limited. High government borrowings restrict the room for fiscal stimulus. Britain's ability to alter interest rates is constrained by sterling's membership of the European exchange rate mechanism.

As the chart shows, James Capel, the London stockbroker, expects growth to be solid rather than spectacular whichever policy is adopted. Capel's projections and those of other forecasters indicate that inflation over the next five years would be unlikely to fall below 3 per cent under a Labour or Liberal Democrat government while fluctuating around 2.5 per cent under the Tories. Although the National Institute of Economic and Social Research expects unemployment to be 300,000 lower under Labour in 1993, other forecasters expect no such improvement.

Where policies will make a difference, however, is in the experience of regions, sectors and individuals. For all three, Mr Smith's tax policies represent a step into the unknown.

His income tax proposals will hit the high-earning south-east, where, according to the Reward Group of consultants, incomes need to be up to 25 per cent higher than the national average to ensure an average standard of living. This region, accounting for 35 per cent of UK gross domestic product, has been worst affected by the recession.

On average, Labour's Budget will cost families with incomes of more than £52,000 a year more than £105 a week. The independent Institute for Fiscal Studies calculates that annual total disposable income will fall by £1.5bn in the south (comprising London, the south-east and south-west) under a Labour government.

For most industrialists, the prospect of such a radical redistribution of income has more than offset any satisfaction over Labour's plans to boost investment. Sir John Banham, the director general of the Confederation of British Industry, has warned that Labour's tax plans could turn the recession into a slump. Lord Weir, chairman of the Glasgow-based Weir Group of engineering companies, would expect "a much slower recovery under Labour". Sir Eric Parker, chief executive of the Trafalgar House construction and shipping conglomerate, believes that the extension of the 9 per cent employees' National Insurance contribution to earnings of more than £21,060 a year in particular would increase pressure for higher wages among middle managers and damage the UK's "sickly" housing market.

However, the Tories' hands-off attitude towards industry has also been unwelcome. Mr Philip Hughes, the founder and former chairman of Logica, the software company, believes Labour's more interventionist approach would benefit UK industry in foreign markets. Mr Hughes also backs the minimum wage as a step towards making Britain a high-wage, high-productivity nation.

By contrast, a change of government would mean "all sorts of problems for people dependent on fee-based income in the City", according to Mr Keith Skeoch, James Capel's chief UK economist. Mergers and acquisitions, in particular, would be subject to tighter controls and Mr Skeoch expresses some concern for the banking industry if the economy in the south-east is depressed further. Retailing would also be less likely to prosper under Labour, because the higher earners tend to be the higher spenders, although stores selling basic goods, might profit from increased incomes for the poor.

In the longer term, the choice of government could have more profound effects on the economy. Labour's interventionist leanings could have a more significant impact on policy if its economic recovery plan ran into trouble.

The redistributive tax policies of both Labour and the Liberal Democrats could influence the career choices of entrants into the job market, affecting the long-term competitiveness of the country by reducing the attractions for young people of arduous wealth-creating jobs in industry and commerce. Companies may also be tempted to step up investment abroad.

To many outsiders, the policies of Mr Smith and his colleagues have an uncanny resemblance to those of Germany in the 1970s, but with the significant addition of promoting modern computer-controlled technology. That German model worked well in a difficult international environment. But it finally foundered on an excess of public spending, leaving West Germany as a slow-growth nation until unification at the end of the 1980s.

John Griffiths on the man and the machines behind McLaren-Honda

The empire strikes back

When he lowers himself into "Red Five", the nickname of his Canon Williams-Renault formula one car, for the Brazilian Grand Prix tomorrow, Britain's Nigel Mansell will be determined but uneasy.

Deep down he knows all too well, even if he cannot readily admit it to himself, that the euphoria of his British supporters at his runaway wins in the first two rounds of this year's world championship could prove short-lived.

The road towards his first world championship, for which – at age 38 – he is now desperate, may be barred again by the familiar fluorescent red and white of rival Marlboro McLaren-Hondas driven by arch-rival and world champion Brazilian Ayrton Senna, and his Austrian team-mate Gerhard Berger.

The Williams team, and lesser rivals such as Benetton Ford, have good reason for their private unease. The plethora of red-and-white cars emerging from air freighters in São Paulo this week make up a technological package with which McLaren hopes to wrest back the advantage it has yielded to Mansell and Williams this season.

There was seemingly enough electronic and telemetry (remote data transmission) gear to start a space programme. Developed by TAG International Systems, a McLaren subsidiary, it is used to monitor information produced by more than 800 sensors in each car. Crouched over their display terminals in the race track's pits, McLaren's engineers can observe and analyse everything about the car's behaviour while it is hurtling round the track. In this latest twist of technology, the pits team can alter, by remote control, fuel mixture, the engine speed at which the semi-automatic gearbox changes gear, or dozens of other parameters without the driver so much as lifting his foot off the throttle.

The two McLaren drivers have *six* cars at their disposal, rather than the usual three or four. Three of them, designated *MP4/7As*, are the new model on which McLaren has staked its credibility, and that of its partner Honda.

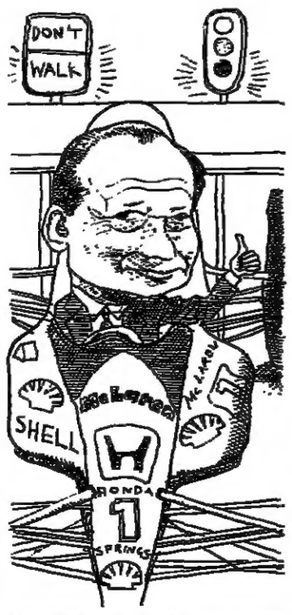
In secret development for a year, the cars employ "drive-by-wire" technology which will take Senna and Berger partly into the unknown, in terms of driving techniques, as well as – McLaren hopes – back into the victory lane.

There is, for example, no mechanical link between the driver and accelerator, or between the press-button gearbox controls and the gearbox itself. The driver's physical commands are relayed electronically. The engine and gearbox decide between them whether the driver has changed down too early, while travelling too fast.

In the recent past, that would have meant an over-revved, and probably exploded, engine. Now, the system can "ignore" the gearchange for a few microseconds while engine speed is adjusted to suit.

It is on this state-of-the art technology that the McLaren-Honda team is pinning its hopes. Having dominated motor racing for most of the past decade, the Anglo-Japanese team lost its edge to Williams – a situation which Ron Dennis, founder, part owner and managing director of McLaren International, does not relish.

For Honda, which has spent much of the past decade cultivating an image as "Japan's BMW" and thus has a strongly commercial stake in



McLaren's success, the current scenario is no less galling. Unreasonable as it is to expect any team to carry on winning the world championship *ad infinitum*, Honda's relegation comes at a time when Grand Prix motor racing, worldwide, has gained unprecedented popularity. The £1bn a year industry attracts at least 100m television viewers worldwide for each Grand Prix event.

Dennis, 45, who now controls a small high-tech empire employing nearly 400 in an industrial estate in Woking, Surrey, has already become a legend in motor racing for the clinical precision with which he has approached winning.

His perfectionism extends even to insisting that the 30-strong pit team has all new clothing for every Grand Prix. Combined with his intuitive engineering and managerial skills – he went straight from school in Woking into engineering – it has earned him the grudging respect of McLaren's rivals.

It is all the more surprising, therefore, that McLaren should, for the moment, be on the defensive.

Dennis admits that McLaren was lulled into a false sense of security by Senna winning the opening four rounds of the championship last year. He concluded that McLaren's cars were sufficiently superior to its rivals for the company to get on with developing the far more advanced MP4/7A for 1992. But by mid-season the Williams team had overcome its initial unreliability and was outpacing the McLarens.

Recalls Dennis ruefully: "Grand Prix is like a roundabout. The music starts, everyone gets on, it increases speed through the season and only slows down when the season ends. And it's very difficult to do anything when you're on the horse. The tools keep sliding off. All the team can do is hold on tight; sometimes the less well-organised teams don't even know if they're sitting on the horse backwards.

"The moment you lose your balance, you're history."

Dennis has no intention of becoming history. Indeed, the group he founded is in the process of metamorphosing into a multi-faceted business in which Grand Prix racing will play only a part, though a key one.

Within the next few months, McLaren Cars will launch its first road-going car, an exclusive £1¼m machine appropriately named F1 and incorporating much of the technology of the Grand Prix cars.

Much of that technology will have been developed by TAG Electronic Systems, which is turning over more than £15m annually and employs about 100 people. There is also a marketing services company and McLaren International itself, the Grand Prix enterprise. The usually reticent Dennis observes: "The group is at a crossroads. It is emerging as a corporate entity."

As the drivers climb into their McLarens tomorrow, putting their skills and technology to the test, it will not be the balance sheet that matters, but taking the chequered flag.

Long day's journey to the right

Neil Kinnock, the Labour leader, has come of age, writes **Ivo Dawnay**

It was not quite JFK's Camelot. But the 250-odd guests who gathered for Neil and Glenys Kinnock's 25th wedding anniversary in the Inner Temple's Parliament Chamber 10 days ago owed something to a mediaeval court.

Dotted among the Parrys and Howells from Wales were a smattering of shadow Cabinet members, courtiers from the leader's Commons bunker, Mr Gavyn Davies, the City economist, the discreet presence of favoured trade unionists and, of course, familiar friends from showbiz – John Mortimer, Anthony Sher and Stephen Fry among them.

At the centre of this babbling throng, the happy couple presided with magisterial self-assurance: Neil, foot-tapping to a live performance by Cleo Laine, as Glenys chatted nearby with a relative.

With election day just three weeks away, the party's aim – anniversary celebrations aside – was to show the world that, mid-campaign, the Labour leader was in command, relaxed and confident.

"It don't mean a thing, if it ain't got that swing," trilled Cleo. And, sure enough, less than a week later, the polls swung accordingly.

If Labour loses the election, the Kinnocks' party will probably rank among the highest points of their lives. After 25 years of hard politics, it was a triumphant confirmation of Labour's return to its rightful place as Britain's alternative establishment and a public acknowledgement of the Kinnocks' central part in the process.

No wonder then that the host's ebullient self-confidence was the overriding impression of the evening. Yet with only days to the election to go, Mr Kinnock's personality remains at the very centre of the British political plot.

Is he a Moses, destined to lead the party to the promised land, but doomed never to enter it? Or might he be a bluff Prince Hal, a boisterous rabble-rouser set to be transformed, like a political Henry V, into a safe pair of hands?

If there is any single quality that is repeated time and again in the reminiscences of friends and acquaintances of the man now on the doorstep of Downing Street, it is his extraordinary lack of self-doubt.

Even though, on occasions, Mr Kinnock's private insecurities show through, for some onlookers it is this conviction in his own capability that is indigestibly strong meat.

One Scots MP, a self-proclaimed Kinnockite, commented recently that while he applauded all his leader's achievements, he would never be able to empathise with the man himself. "It is the 'boyo' side of him I just can't stand. He is just not my kind of person," he commented.

Much of the Conservatives' campaign has been based on the premise that the public share the same feeling. When Mr Kinnock's virtues are discussed – his persistence, his courage in tackling Militant, his achievement in bringing Labour so close to power – his Tory critics counter that swallowed principles, inverted policies and an opportunism, forged by ambition alone, render him unfit to be prime minister.

Such charges, enraged Kinnock loyalists insist, are merely a distorted fiction of the tabloid press and a wilful misrepresentation of a courageous and talented man.

The truth, perhaps, is more simple than both cartoon images. So entwined is the Labour leader's political journey with the party's own decade-long metamorphosis that it is hard to disentangle the two. For The Sunday Times the Kinnock story is headlined The Flight from Conviction, but it could called The Road Back to Reality.

Even before he won the leadership election almost nine years ago, Mr Kinnock is said to have confessed privately that he had some reluctance in taking up the challenge. With his ideas still half-formed, his natural rebelliousness unprepared for the straightjacket of responsibility, his immaturity often showed.

"It has always been Neil's misfortune," as one sympathiser put it recently, "that he has had to do his growing up in public". So it has been with Labour.

The language of a chapel preacher: Toryism is 'a sin, a sin, a sin'

Almost from his infancy, the young Neil Kinnock's natural effervescence drew attention. Born 50 years ago into a mining family in Tredegar – the constituency of the Labour hero, Aneurin Bevan – he was the only child of a happy marriage between Gordon Kinnock, a gently-mannered miner, and Mary Parry, a formidable and intelligent district nurse.

Nurtured by devoted parents in the extended family of a Welsh mining community – the Coldstream Guards of the Labour movement – the young Neil was swaddled in security, a cheerful boy, with a cheeky talent for mimicry.

Though the family was not well off, Nurse Kinnock's maternal ambitions and critical tongue saw her son hurdle the greatest obstacle to working-class success, the 11-plus exam. In consequence, and much to his irritation, he was sent to Lewis School, Pengam – a single-sex establishment considered the Eton of the Valleys.

Is Mr Kinnock a Moses, destined to lead the party to the promised land, but doomed never to enter it?

In his campaign plane last week, Mr Kinnock recalled his and his friends' loathing for the place. "We didn't do a stroke," he said, with mild amusement. "But because we had got through the 11-plus we were all convinced we had made it."

Already politics, thick in the Welsh air, had permeated his life. He first saw Bevan speak aged 10, read his treatise, In Place of Fear, at 14 and joined the Labour party a year later. Unhappiness at school and three 'O' levels persuaded him to seek work in the pits, but his mother would not have it. He went on to pass well in three 'A' Levels to become the first in "a thousand generations of Kinnocks" to take a place at university.

Much scorn has been poured on Mr Kinnock's pass degree at Cardiff but his lack of academic distinction owed mostly to the heady atmosphere of university life – an exuberant combination of rugby, politics and socialising.

It was here that he first met his wife-to-be while handing out leaflets in a cafeteria queue.

It was to impress "Glen" that the young tyro first took to the rostrum in speeches to up to 700 fellow students. Lord Callaghan, then a Cardiff MP, was just one of many listeners astonished by the impact of the young debater.

Other Kinnockian qualities also emerged at this time, not least a certain vanity and priggishness. He was fiercely conservative in his clothes – white shirts and highly polished shoes – and curiously illiberal for the permissive 1960s. His friend Mr Rhodri Morgan, now MP for Callaghan's seat, remembers how Neil pressed the landlord of The Old Arcade pub to eject the local hippies, suspecting they were selling dope.

Although a left-winger, Mr Kinnock also kept within reach of the mainstream. One of his first political collaborations with Glenys was to organise the ousting of an extreme left clique from the leadership of the Labour club.

From the presidency of the Cardiff students' union on, the young Kinnock maximised his contacts in the unions and industry by lecturing for the Workers' Educational Association. A fierce opponent of Barbara Castle's In Place of Strife union reform proposals, he entered parliament in 1970 as the Heath government began its own wrestling match with organised labour.

Aged just 28, the MP for Bedwellty's politics fused the lessons of his half-digested industrial relations course and the more fashionable verities of the National Union of Students. But his passion was rooted in the class solidarity that permeated the mines and factories of the Valleys.

Rapidly establishing a reputation as a powerful, fluent (if verbose) speaker, the young firebrand was soon making frequent visits to constituency parties across the country.

On most issues, he sat comfortably with left-wing orthodoxy, though, even then, his arguments were often based not on ideology but in practical or party political terms. On the European Community, for example, Mr Kinnock's opposition to British membership was less that the EC was a "capitalist club" and more that the hated Tories' favoured it.

On devolution for Scotland and Wales, however, he took a more marxist stance, arguing at the risk of hostility from his constituents that the working-class gained nothing from a Welsh assembly. "We have not," he ironically told the 1976 party conference, "had one riot in Ebbw Vale for lack of direct elections to the Welsh Tourist Board."

A year earlier during the sterling crisis of 1975, Mr Kinnock had sided dogmatically with the left, joining 37 Labour rebels to vote down the Wilson government's package of public expenditure cuts. The minutes of Bedwellty party record that their MP argued "it was not the task of Labour to salvage and re-establish capitalism".

When a year later his early mentor, Mr Callaghan, complimented his powerful speaking abilities by offering him a junior ministerial post, he turned it down, calculating that the price of silence, under the convention of collective responsibility, was not worth paying.

So far, so radical. But in the wake of the 1979 election defeat, amid the devastation of the Winter of Discontent, Mr Kinnock's change began.

Well before Labour's civil war began in earnest, the young MP had naturally sided with the grassroots activists. As early as 1973 he had helped found the Campaign for Labour Party Democracy, later to become the banner of the Bennite opposition against the parliamentary establishment.

Furthermore, he had publicly opposed the 5 per cent pay norm that had triggered the conflict with the unions. Yet when parliament returned, the rebel decided to use the period in opposition to climb. Just as Mr Tony Benn decided not to stand in the shadow cabinet elections in order to fight for internal changes in the party, Mr Kinnock opted to try, arguing instead: "It was put up or shut up time."

In interviews since he has suggested that his motive was intended to push for a left-wing programme from the vanguard not to carp from backbenches. "It was no good wingeing on ... it was time to influence affairs."

That appears to be borne out by his statement at the time that privatised industries should be renationalised without compensation to shareholders. But to his allies on the hard left, Mr Kinnock's decision to accept an appointed frontbench post as education spokesman had, as Mr Benn records in his diaries, "totally" undermined the left's argument for democratic change.

But the key break did not come until the following year when Mr Benn launched his 1980 challenge to Mr Denis Healey for the deputy leadership. In an outspoken article for the Tribune newspaper, Mr Kinnock went on the offensive. Accusing the Benn manifesto's pledge of full employment within a lifetime of a parliament as "a reckless simplicity", he said the darling of the radicals has "significantly harmed the current standing and electoral opportunities of the Labour party".

Friends have noted that his natural cheerfulness has diminished as he has forced the pace of policy change

It was the first important act of genuine political courage of his career. It signalled the end of Mr Kinnock's period of posturing and a new seriousness that was to put electoral considerations repeatedly ahead of ideology on his list of political priorities.

Even before his election to the party leadership Kinnock had recognised that the growth of the Social Democratic party, demanded urgent action. He was shifting ground on Europe, believing withdrawal from the community was now no more than a fantasy. And a mounting suspicion of middle-class elitism within the Bennite-left began to colour his criticism.

"They are willing to condemn millions of people to unemployment, bad housing, deficiencies in education, bad health provision," he wrote in a vituperative article in the Morning Star, "they surrender the right to call themselves socialists since they are ready to fight to the last drop of someone else's blood."

Such sentiments added both to Mr Kinnock's enemies and his growing authority as a left-wing voice of reason. Furthermore, the shift in tone was as perfectly timed as the delivery of his speeches. When the Foot leadership collapsed in the ashes of the 1983 election defeat, the party judged that it was only the 41-year-old Mr Kinnock who could heal the left-right schism.

In his acceptance speech, the young leader quoted extensively from Bevan's admonition against politicians speaking in "old false categories ... that echo the past", urging them instead to "speak with the authentic accents of those who elected them".

Mr Kinnock added: "We have to commend the common sense of socialism, the realism of socialism ... the most rational, reasonable, emancipating creed ever put on the agenda of mankind."

Armed with those words, his leadership has marched steadily down the revisionist path. But while the red rose revamp of the party's image proceeded, progress was at first little more than decorative. It was his attack on the Militant tendency at the 1985 Bournemouth conference that finally underlined the deadly seriousness of Mr Kinnock's determination to see Labour back in office.

But it was only in the wake of the 1987 election defeat, that his zeal spread across the party clearing the path for the root and branch policy review that eventually jettisoned unilateralism, embraced Europe wholeheartedly and reclothed Labour in social democratic colours.

For Mr Kinnock himself the process of change has often been painful. Friends have noted that his natural cheerfulness has diminished. Colleagues remark sympathetically on the loneliness of a job which has seen him transformed from a darling of the media to its prime target.

Ms Clare Short, a member of labour's National Executive Committee who has twice resigned from his front-bench team, still expresses a motherly affection for him.

Yet the more rabid Tory tabloids aside, how unfair has the press really been? Has Mr Kinnock not taken U-turns on almost all the key issues of the day – Europe, nuclear weapons, devolution – to name but three?

The truth is that in reforming the party Mr Kinnock reformed his own ideas too, turning cautious pragmatism into his new ideology. As policy-changes have seen Labour rise in the opinion polls from the 27 points of 1983 to the potentially election-winning 40s, the leader feels vindicated in his belief that the party's policies are ideologically sound – socialist even – if they fairly reflect ordinary people's beliefs and ideas.

On that ground alone, unilateralism could be jettisoned – a decision that is said by intimates to have caused neither Neil nor Glenys any profound pain. The same argument underpins his lack of interest in electoral and constitutional reform.

Privately, Mr Kinnock retains a deep scepticism about devolution, though he will go along with it in order to halt a Scots rebellion. On such issues as devaluation and budgetary prudence, he is dogmatically austere – convinced that quick fixes for the economy are no substitute for old-fashioned hard graft.

Indeed, he is now a genuinely enthusiastic European, admiring its commitment to industry and training. The Exchange Rate Mechanism and the Maastricht convergence terms for a single currency, he believes, will prove useful shields against an explosion of unrealistic pay claims from the unions.

When attacked for these policy shifts, Mr Kinnock says that his changes reflect a changed world, but retain in their ideals of redistribution and social welfare a clear continuity with Bevanite ideas.

His goals, set out in his 1991 Brighton conference speech, were to enable people to get the best out of life and control their own destinies. By contrast, "British Toryism is above all about letting the future look after itself, about letting people fend for themselves whether they are able or not."

Where then does all this leave his fitness to govern? To this, Mr Kinnock's understandable response is to point to his success in remodelling Labour into the most unified and disciplined shape ever achieved in its long history.

His campaign has shown him better able than ever before at handling the rigours of the television interview and publicly sifting the minutiae of policy. Yet it is Mr Kinnock's personality that continues to provoke unease.

His Tuscan holidays, his obvious delight in theatre and music, his fondness for the well-chosen word show an unashamed pride in middle-class tastes. But now and then there comes a shock. It may be the flash of temper that recently ruined a Commons' speech when he called a respected backbencher "a jerk".

Perhaps, most of all, it is that demagogic platform style – all sweeping hand gestures and grandiose oratory – which this week dismissed Toryism, in the language of a fiery chapel preacher, as "a sin, a sin, a sin".

The Kinnock toughness – the bullheaded stubbornness – has got him where he wants. It may well prove an asset if he is forced to bang heads round Downing Street's cabinet room table.

But far from being dangerous, Mr Kinnock's politics in their mature middle-age are a reflection of the man: sturdily respectable, sentimentally embedded in community and family, romantic even, and, perhaps, a little dull. Yet, just now and then, one has a sensation that beneath the broad smiles and jollity there is in him a bit of barrack-room bully who is promising – almost threatening – to make Britain a gentler society.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Lloyd's: even-handedness of results and divine rights

From Mr Julian Crispin.

Sir, We fully endorse the point made by Keith Leonard (Letters, April 2) concerning the proper way to compare the underwriting performance of external and working Lloyd's Names.

Our own analysis of Names' results for the last three closed years of 1986, 1987 and 1988 shows a small difference in favour of external Names in the first two years and in favour of working Names in the third. The pattern appears to be that our external Names have fared better in years of good profit (1986 and 1987) and worse in the poor year of 1988. This same pattern was apparent in the Task Force Report.

The forecasts for our Names for the loss year of 1989 produce an insignificant difference of 0.11 per cent between the two groups.

Members' agents should not favour working Names over external Names or vice versa, and the evidence from the two leading Members' agents is that they have been even-handed. What is needed in this debate is more light and rather less heat.

Julian Crispin,
chairman,
Sedgwick Lloyd's Underwriting Agents,
Aldgate House,
33 Aldgate High Street,
London EC3N 1AJ

From Mr G C Ranard.

Sir, Mr Keith Leonard, managing director of one of Lloyd's of London's most substantial managing agents, has described as "vocational" the occupation of working in the Lloyd's insurance market.

The first definition given for the word vocation in the Concise Oxford Dictionary is a "divine call".

I am aware that "insider" names may be benefiting from privileged syndicate selection, but I suppose it is natural that they also assume a divine right to such woeful injustice.

G C Ranard,
Manor Farm House,
Petersham,
Richmond, Surrey TW10 7AH

Stability is what large section of business wants from politicians

From Mr Gordon Brace.

Sir, British business overwhelmingly desires a Conservative victory, you say in your leading article ("Weakness at the Tory heart", April 1). If your measure is financial clout, that's doubtless true, but if you mean head count (which wins elections), I wonder.

I attended a west Midlands Confederation of British Industry evening seminar on "partnership supply" this week. The first half hour was largely devoted to a panegyric by Sir John Banham, the CBI director-general, on industry's achievements over "the last 13 years" – a thinly-veiled plea to vote Conservative and hardly bearing on the topic for which the attendees had paid £50.

At the supper which followed, a straw poll among the eight apparently "random" delegates with whom I found myself yielded only two who claimed to be Tory voters.

No doubt "City-based" commerce, with its emphasis on buying and selling companies rather than goods, is solidly Conservative and no doubt the recipients of salaries of a third of a million pounds and upwards (who write to The Times and appoint director-generals of the CBI) also see their best interests served by Conservatives. But what the thousands of people who manage medium-sized enterprises or own small ones – and who in an uncertain world are judged by their ability to deliver what they forecast – really want is stability.

No-one enjoys paying tax, but higher on most people's wish list is to do one's job in an environment of reasonably stable exchange rates, interest rates and legislative environment and to be able to recruit staff who can read and write. The worst scenario is regular about-turns.

Whether that resolves itself into voting Conservative or into a push for the constitutional changes favoured by the Liberal Democrats remains to be seen.

The latter might have more durable results.

Gordon Brace,
Burmans Farmhouse,
Cottage Lane,
Shottery,
Stratford upon Avon,
Warwickshire CV37 9HH

County Hall soft option

From Mr Christopher Burt.

Sir, County Hall has been sold to the Japanese for £60m. Further substantial sums will be expended converting it into a hotel, apartments and conference facilities. If the sale stands, overseas funds will be injected into Britain, employment will be created and the building and hospitality businesses will benefit. All, one might think, desirable ends in these difficult times.

However, it is reported that if Labour forms the next government it will cancel the sale and install its planned "slim-line" Greater London Authority in County Hall. If the objective of creating a GLA is efficient, forward-looking government for London, why set it up in an antiquated, inefficient building requiring costly and time-consuming renovation? Such a course seems peculiar, bearing in mind the wide choice of high quality offices available in London.

Presumably, this is an example of the soft-headed economic decision-making the country can look forward to if Labour prevails next Thursday.

Christopher Burt,
92 Rue de l'Aqueduc,
1050 Brussels, Belgium

The cost of education

From Mr J D Graham.

Sir, Speaking as one who holds a Scottish Higher leaving certificate, I refer to your report ("Baccalaureate urged instead of Scots exam", March 6) about suggested changes to the Scottish Higher exam.

Broadly, Professor Howie is asking for the Scottish education system to have both breadth and depth and not simply the breadth that it has at present. If our children are to be educated in breadth and depth then the government will have to be prepared to pay for longer periods spent at school and in the university. Our university graduates qualify when they are 21 and at the latest perhaps 23, whereas in Germany and France 25 and 26 is not unusual.

J D Graham,
Quarry House,
Heath Road,
Brixham, Devon TQ5 9AU

Not the right clock

From Mr Martin Essex.

Sir, Now that so many people who contribute to the wealth of Britain by working in the City have to be at their desks by 7 am, is it not right that British Summer Time be abandoned?

Previously it was light when I struggled out of bed. Now it is dark and the struggle is therefore even harder. Moreover, my internal clock kept telling me to go back to sleep.

Why should the farmers have it all their own way?

Martin Essex,
32 Bluebridge Road,
Brookmans Park,
Hatfield,
Herts AL9 7SA

Drayton Cons provision hits Invesco MIM

By Peggy Hollinger

THE FUTURE of the Drayton Consolidated Investment Trust, a leading UK investment trust in the development and venture capital sector, hangs in the balance following a 23 per cent decline in profits at the fund's manager and 12 per cent stake holder, Invesco MIM.

Pre-tax profits fell from £18.9m to £14.5m for the year to December 31, on turnover 59 per cent higher at £2.77bn.

The result was struck after exceptional charges of £13m on potential losses at Drayton Consolidated, which invests in small and unquoted UK companies.

Invesco, headed by Lord Stevens of Ludgate, said yesterday the trust had appointed brokers County NatWest Wood Mackenzie and Cazenove to review proposals on its future.

Earlier this year, Drayton Consolidated revealed that about 11 per cent of its portfolio – or £19.9m – was virtually irretrievable following the collapse of its largest investment, the Scottish confectionery company, Alma.

The trusts shares have fallen from 204p in January to last night's 176p.

The troubles at Drayton Consolidated masked strong performances around the world from Invesco's main operating divisions.

Stripping out exceptional provisions of £16.6m, which included £3.6m for losses on Invesco's employee share option trust, pre-tax profits rose by 39 per cent to £31.1m. Funds under management grew by 24 per cent to £31bn.

The proposed final dividend was held at 3.7p for a total of 6p. Earnings per share fell from 5.4p to 2.3p. The retained loss for the year was £8.3m, compared with a profit of £2.65m last time.

The North American operations increased profits by 45 per cent to $47m (£27m). Mr Ratan Engineer, Invesco's finance director, said the company had benefited from a mutual fund boom in the US. "We also had an outstanding investment performance." Trading in the US continued to be very strong, he said.

Cost-cutting in the UK helped the European and Pacific division increase profits by 27 per cent to £10.3m. Mr Engineer dismissed the prospect of a pick up in the UK in the short term. "I do not see much of a change even after the election," he said.

The move into Japan was proving successful, but would not return significant profits for some time, Mr Engineer said. He added that Invesco had become the first foreign manager in Japan to win a corporate pension fund account.

Debt at the year end was $60m and comprised a convertible loan note held by the group's US partners.

Lydia van der Meer

Lord Stevens: Drayton Cons' future under review

Grampian selling Mitre for £17m as profits decline 14.7%

By Angus Foster

GRAMPIAN HOLDINGS, the Scottish mini-conglomerate, is selling Mitre, one of the UK's best known makers of footballs, rugby balls and sporting goods, to an American company keen to cash in on Mitre's brand name ahead of the 1994 Football World Cup, to be staged in the US.

Grampian is selling Mitre for about £17m to Genesco Inc, the US clothing and footwear manufacturer which already owns the Mitre licence in North America.

The sale is expected to be finalised before Easter.

Mitre and Patrick have been separately managed, although Grampian recently looked at combining their distribution and administration to reduce overheads.

Mitre is the more profitable of the two companies, making pre-tax profits of about £1.5m from sales of £14m in 1991. But the company was affected by bad debts in the fourth quarter and Patrick, which was acquired in 1987, has more potential in Europe.

Sale proceeds will be used to reduce borrowings of about £20m at year end.

Grampian also announced a 14.7 per cent fall in pre-tax profits to £11.2m in the year to December 31, below expectations. The shares fell 9p to 163p on news of the results and sale.

Earnings fell less sharply, due to a lower tax charge, and totalled 12.77p, an 8.8 per cent fall. Grampian is recommending a final dividend of 3.8p (3.5p), to make a total of 5.5p, a 10 per cent increase.

Turnover improved 1.9 per cent to £142.8m, mainly due to strong performances from animal pharmaceuticals in the UK and Germany.

● COMMENT

Disposing of Mitre, with apparently no pressing need to do so, raises the question of what else is for sale. Patrick is a likely candidate, although Grampian may prefer to wait for its premium brand name credentials to be acknowledged in any price tag. Mitre's sale also accelerates Grampian's transition from conglomerate to niche pharmaceuticals company. Animal pharmaceuticals increased their share of group profit above 50 per cent for the first time last year. Following the disposal and the purchase of Peter Hand, that figure is set to top 60 per cent this year. Even so, the market still sees the company as a conglomerate and wants further evidence of pharmaceuticals growth before any re-rating. Forecast profits of £12.5m put the shares on 12 times and make Grampian an interesting hold.

ATP shares suspended at 1½p

By Maggie Urry

Shares in ATP Communications, the USM-quoted advertising group, were suspended yesterday at 1½p after the company began talks with its bankers. Shareholders had earlier voted against a capital reorganisation at an extraordinary meeting.

Last month ATP told shareholders that the continued existence of the company depended on the capital reorganisation which involved a £1m share issue. Shareholders were offered two new shares for every one held, at a price of 2p. The proposals included the conversion of the group's preference shares into ordinary shares.

The reorganisation proposals needed a 75 per cent majority at the shareholder meeting to succeed.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Am'nt Paid up	Latest Renunc. Date	1991/92 High	1991/92 Low	Stock	Closing Price	+or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
500	F P	–	548	455	Amicable Smllr. Units	455	-2	M3.1	–	0.9	–
10a	F.P.	–	106	95	Avonside Group	101		L5.8	2.1	7.7	8.1
–	F.P.	–	378	377	Bodycote Intl. (RFD)	377	-1	8.75	3.0	3.1	13.8
–	F P	–	3	2	Brent Walker Wts to Sub	3		–	–	–	–
125	F P.	–	125	111	Brit. Data Management	117	+6	R4.0	2.7	4.6	10.3
–	F P	–	36	27	eCRP Leisure	27		–	–	–	–
–	F P	–	96	93	CU Environmental	94		–	–	–	–
–	F.P.	–	23	20	Do. Warrants	20		–	–	–	–
1	F P	–	75	56	Capital Industries Ld	56		–	–	–	–
70	F P	–	72	63	Fleming Inc & Cap Tst Inc	66		F4.73	–	9.5	–
100	F P	–	102	94	Do Units	97		F4.73	–	6.5	–
30	F P	–	32½	30½	Do Zero Div Pf	31½		–	–	–	–
110	F P	–	127	119	Forth Ports	123	+1	W5.5	3.6	6.0	9.2
–	F P	–	73	69	Headlam Group (RFD)	72		2.4	1.2	4.4	24.0
£10⅝	F P	–	£12¼	£10⅝	Latin Am Inc & Appr. 1c	£11¼		–	–	–	–
–	F P	–	38	34½	M & G Recovery Inc	36		F3.75	–	14.3	–
–	F.P	–	13	12¼	Do Capital	12½		–	–	–	–
–	F.P.	–	48	47	Do Geared Units	47		F3.75	–	10.6	–
–	F P	–	98	97	Do Package Units	97		F3.75	–	5.2	–
–	F.P	–	11	⅛	Multitrust Warrants	11		–	–	–	–
–	F.P.	–	4½	4	Platinum A	4		–	–	–	–
–	F P.	–	104	103	Rtr & Nrc Tst Inc12 1/2p	103		M9.2	–	11.9	–
–	F P	–	124	117	Do. Stepd Prf 12 1/2p	123		R5.6	–	6.1	–
115	F P.	–	128	121	Rowlins	127		L4.3	1.7	4.5	14.6
100	F P	–	100	98	Templeton Emrg Mkts. C	99		–	–	–	–
–	F P	–	160	150	Usher-Walker (RFD)	153	-4	5.5	1.3	4.8	21.0
–	F P	–	23½	22½	Welpac (RFD)	22½		–	–	–	–

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1991/92 High	1991/92 Low	Stock	Closing Price £	+ or -
100p	F P	-	101½p	97¼p	Bank of Ireland Units Non-Cum Prf A	97¼p	
-	F P	-	12p	8p	Brent Walker Var Rte 2nd Prf '00/07	10p	
-	F.P	-	8½p	7p	Do. 8½pc 3rd Non-Cum Cnv Prf 2007/10	8½p	+1
10p	F.P	-	10p	8p	Enzo Hosiery 10bc (Net) Cv Prf 1994	9p	
100	F.P.	-	107½	95	Cambourne Inds. 10½pc Rd. Deb. 2001	95	
100p	F P	-	107p	100p	Fidelity Euro Values Equity Ln 2001	107p	
105	F P	-	110	98	Greencore 4 5/8 Cnv Un Ln Str 1995	105	
-	F P	-	49½p	48¼p	M & G Recovery Zero Div Prf 1p	48¼p	
100p	F P	-	105½p	97p	NatWest Bank 7pc Prf Series A	97½p	
650p	P P.	-	347p	330p	Thorn EMI Non-Int. Bearing Cv Units	345p	
4	F P	-	75p	68p	Wembley bp (Net) Cv Cum Prf 1999	68p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1991/92 High	1991/92 Low	Stock	Closing Price p	+ or -
12	Nil	28/4	½pm	½pm	Addison Consultancy	½pm	
60b	Nil	9/5	120pm	74pm	Bowater	74pm	+3
65	Nil	21/4	13pm	1½pm	Courtney, Pope	1½pm	
15	Nil	1/5	40pm	5pm	Trinity Intl 10p	14pm	

a Annualised dividend. b Figures based on prospectus estimates d Dividend rate paid or payable on part of capital, cover based on dividend on full capital g Assumed dividend and yield. n Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. x Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ♦ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

● First Dealings	March 30
● Last Dealings	April 10
● Last Declarations	July 9
● For settlement	July 20

3-month call rate indications are shown on page 11.

Calls in: Aran Energy, Aviva, Glaxo, Lonrho, Medeva, Microvitec, Premier, Scottish Power, Silvermines, Trafalgar House, A. and Tullow. **Puts in:** Bluebird Toys, Glaxo and Laing (J.) **Put & Call:** LWT.

Leading UK and European institutions to shun WMI

By Andrew Freeman

SEVERAL LEADING UK and European institutions have decided to shun the £465m flotation of Waste Management International (WMI) which enters its last lap next week.

Despite heavy pressure from Cazenove and Merrill Lynch, brokers and lead underwriter respectively, the institutions say they will avoid the international offer and placing of 20 per cent of the shares in WMI, the overseas arm of Waste Management Inc, the leading US waste disposal company.

However, demand from the US is expected to be strong enough to allow the flotation to be successfully completed.

The UK institutions are worried about the high indicated price of the shares and the ambitious growth assumptions made for WMI in the issue prospectus. One London-based fund manager said: "They are over-priced and over here."

European investors have also expressed concern about the timing of the flotation in light of the uncertain outlook for equities ahead of the UK general election.

The shares are due to be priced in the US on Monday night, before preliminary dealings begin on Tuesday. UK fund managers said yesterday the price for the UK placing was likely to be around 620p, against an indicated range of 530-645p. That would value the whole of WMI at £2.3bn and put the shares on a multiple of 34 times the pro-forma 1991 earnings per share.

However, the company expects to show rapid earnings growth in the next few years, which will bring the multiple down to less demanding levels.

US investors are reportedly keen to switch into the fast-growing overseas subsidiary of the US parent, WM Inc. Since the beginning of March, shares in WM Inc have fallen from $43 to below $38 as funds have sold ahead of the WMI flotation. They are more comfortable with the high earnings multiple on the new shares, and have the additional protection of the dollar's strength against sterling.

Some UK funds said they will buy the WMI shares, but intend to sell them in early dealings.

The proximity of the planned sale of a further large tranche of shares in Wellcome, the drugs company, to which Cazenove is also the broker, has made some investors nervous that if they refuse to participate in the WMI sale they will prejudice their applications for Wellcome stock.

See Lex

Maxwell associate told to repay £6.6m

By Raymond Hughes, Law Courts Correspondent

MR KEVIN MAXWELL gave instructions for payments totalling £6.6m from private companies in the Maxwell empire which were used in an allegedly unlawful share support operation, according to evidence lodged in the High Court.

The payments came to light yesterday when the court ordered Mr Sheldon Aboff, a New York lawyer and a long-time associate of the late Mr Robert Maxwell, to repay the money, with interest, to the private companies.

The evidence names Mr Daryl Warnford-Davies, Mr Kevin Maxwell's brother-in-law, and four Maxwell executives as having been involved in the transactions.

The court documents described for the first time in detail the roles played by Mr Kevin Maxwell and some fellow executives in the months before Mr Robert Maxwell died and his empire collapsed.

Seven payments were made by London & Bishopsgate Group, Robert Maxwell Group and Bishopsgate Investment Trust to Mr Aboff, via stockbrokers Townsley & Co and Astaire & Partners, between June and November last year.

The money was used to buy 1.7m shares in Maxwell Communication Corporation and 760,000 shares in Mirror Group Newspapers, Mr Maxwell's two public companies.

The court ordered Mr Aboff, a former executive of several Maxwell private companies, to pay back the £6.6m, plus £477,065 interest, and to deliver up certificates in respect of the MCC and MGN shares.

An order made last December freezing up to £4.35m of Mr Aboff's assets was increased to £7m and extended until enforcement of yesterday's judgment against him. The orders were made in actions by chartered accountants Arthur Andersen, as administrators of the three private companies, who were given judgment in the absence of any defence by Mr Aboff to their claims.

Mr Mark Phillips, counsel for the administrators, told Mr Justice Hoffmann: "Each transaction was made on the directions of one or other of the key players – Mr Robert Maxwell or Mr Kevin Maxwell.

"We say that Mr Aboff knew these transactions were part of a share support operation and were made in breach of the fiduciary duties of the directors.

"There was no basis on which Mr Aboff could have concluded he was entitled to such substantial payments from these companies," Mr Phillips said.

The evidence stated that the administrators believe the transactions were part of an unlawful share support operation and that the borrowings of the private companies in the Robert Maxwell Group were to a large extent secured by the pledge of MCC and MGN shares.

"Accordingly, in order to support the level of borrowing, it was vital that the share price of these companies, especially MCC, should be maintained."

The administrators had identified a number of substantial flows of funds from private group companies now in administration which had been used for the purchase of shares in MCC and MGN in the names of offshore third parties "where there was no corresponding benefit to the private companies in question."

At the time of the share transactions, Mr Warnford-Davies had been employed by Townsley, having moved there from Astaire. The evidence mentions memoranda which refer to Townsley and Astaire as "very nervous people." Various other instructions for transfer of funds, purchase of shares or other transactions were made by Mr Robert Bunn, finance director of many Maxwell companies, Mr Jonathan Ford and Mr Larry Trachtenberg, who were both London and Bishopsgate directors, and Mr Carson, then London and Bishopsgate's legal counsel and compliance officer.

Scottish TV declines to £8.6m

By Raymond Snoddy

SCOTTISH TELEVISION, which won back its franchise with a bid of £2,000 a year yesterday announced pre-tax profits of £8.6m for 1991, a fall of 23 per cent.

Mr Bill Brown, chairman, said that in a year of recession the company had demonstrated "its ability to weather difficult times and to produce results which are among the best in our industry".

The shares closed up 40p at 750p. He added that although there had been fall of £2.6m in pre-tax profits the company's share of total advertising had increased with sales of £88.2m (£89m) and programmes sales to the ITV network had held up at £17.5m, compared with £18.2m.

Total turnover was up slightly at £114.2m, against £114.1m.

Scottish has decided to increase the proposed final dividend to 12.125p (11.5p) for a total of 16p (14.375p).

This is because it anticipates recovery this year and also because of the "favourable prospects" for the new licence period, which will start next year.

The company is also proposing a 1-for-1 share split to make the shares more marketable.

Mr Neil Blackley, media analyst at stockbrokers James Capel yesterday forecast pre-tax profits of £14m this year and a provisional £20m for 1993.

Mr Brown said advertising revenue was showing some signs of growth for the first time in two years. "Having held steady in recession, Scottish Television is now ready for real growth."

M&G buys 11% of Recovery income shares

By John Authers

Trading in shares in the M&G Recovery Investment Trust started yesterday afternoon.

By the close of trading, the M&G Group held 14.482m income shares, equivalent to 11.16 per cent of the total income shares on issue. M&G Securities, a wholly owned subsidiary of the company, accounted for 12.882m of these shares.

The company said this represented confidence by its fund managers that the shares were a "good buy", and that they would make a suitable home for part of the company's reserves.

M&G's purchases helped stabilise the income shares which had a turbulent day on the market, opening on 35p, falling to 34½p but then recovering to 35p.

Private investors, at whom the launch was targeted, mostly held packaged units including income shares, zero dividend preference shares, and capital shares. The packaged units, priced at 100p, closed at 97p.

Board resigns as Steetley more than halved to £34m

By Richard Gourlay

STEETLEY, the building materials group taken over last month by Redland, yesterday reported profits for the year to December 31 more than halved, in line with the estimate made in its unsuccessful defence document.

The Rugby-based company announced pre-tax profits down from £85.2m to £34.1m, on sales 6 per cent lower at £724.3m.

Earnings per share tumbled from 34.8p to 14.2p. Steetley holders accepting Redland shares through the bid will receive the 16.75p Redland final dividend announced on Thursday; this is equivalent to 14.57p per Steetley share, it was stated.

Those taking the cash alternative will receive no dividend.

Following the successful bid, the Steetley board resigned yesterday to make way for the Redland team.

Mr Gordon Stanley, who was in charge of the industrial product and services division, will remain in an executive capacity.

The interest charge rose from £20.5m to £26.3m on debt that ended the year at £222m, giving gearing of 67 per cent.

There was an extraordinary charge of £17m, about half of which related to bid defence costs.

Operating profits on the quarry products side fell from £70.7m to £43.3m while in the bricks, tiles and concrete products division they dropped from £21.7m to £7.1m.

Geographically, profits in the UK fell most heavily, from £51m to £19.5m, while those in North America were halved to £7.2m.

No extension for Petrocon's Wilkes bid

James Wilkes last night successfully escaped the clutches of rival engineering group Petrocon after the Takeover Panel rejected an appeal to have the £35m bid extended, writes Richard Gourlay.

The bid closed on Monday but Petrocon and Robert Fleming, its adviser, appealed first to the executive committee and then to the full Panel. They argued that Wilkes and NM Rothschild, its adviser, had given material extra information to a handful of Wilkes shareholders and not to the whole market.

One of these shareholders, Edinburgh Fund Managers, which controls 8 per cent of Wilkes shares, decided on March 27 not to support Petrocon, although it was among the shareholders which originally supported the bid in an letter.

Substantial fall in Shorco margins

Shorco Group Holdings did better in the second half to produce a pre-tax profit of £293,000 for 1991. However, that compared with £750,000.

Turnover for the year fell from £7.03m to £6.76m and margins dropped from 10.7 per cent to 4.3 per cent. The final dividend is 2.8p for an unchanged total of 5.2p.

Young to lose USM quote in survival plan

By Chris Tighe

MR BOB YOUNG, founder of the Young Group, the coalmining company, is to step down as chairman as part of a survival package which also involves the loss of its USM quotation. He will remain as chief executive.

The package includes a £2.4m additional overdraft facility to meet working capital requirements.

The company, which has sites in the UK and Venezuela, also announced pre-tax profits of £245,000 in the year to November 30 1991, against a restated loss of £89,000 for the 1990 year. Turnover was £41.5m (£36.9m) with earnings per share of 2.98p (0.2p). The board proposes passing the final dividend making a total of 2.6p (5.2p).

Shortfalls in reserves on some opencast sites severely affected profitability and output from Venezuela was below expectations due to equipment problems.

Young Group began negotiations on the package after it announced on March 3 an unexpected fall in profits and increased working capital requirements.

The company said it had not been possible to arrange a refinancing on conventional terms. The major shareholders had offered immediate finance on terms which did not comply with Stock Exchange rules, obliging the cancellation of the USM quotation.

If the proposals are accepted the shares would be traded under Rule 535(2).

The shares, suspended on Wednesday, resumed yesterday closing at 4p, against the 35p suspension price.

The Group's bankers are to receive as security for 50 per cent of the additional facility a cash deposit of £1.2m from the major shareholders and directors. Warrants will be issued in consideration of the additional facilities, an adjustment made to the conversion rights of the convertible preference shares and a free issue of warrants made to all other ordinary shareholders.

If fully implemented, Mr Bob Young's holding would be much reduced to 15.9 per cent while the largest shareholders will be BIL Securities (Far East) and 3i Group with 39.2 per cent and 22.1 per cent.

Hartstone $50m debt replacement

By Peggy Hollinger

Hartstone, the hosiery and leather goods group, yesterday announced a $50m debt replacement which will eliminate virtually all of its sterling borrowings and hedge against currency moves on its US assets.

Mr Stephen Barker, chairman, said the decision to place $50m in debt with three US institutions would benefit interest charges in the current year.

The debt was placed at an effective rate of 8.4 per cent for almost seven years. This compares with previous shorter-term sterling borrowings at an average of about 11 to 11.5 per cent.

The effect of transferring the debt would also offset higher tax charges on profits made in the US. Hartstone bought leather goods manufacturers, Etienne Aigner and Michael Stevens, for $120m in March last year and has US assets of about $40m, roughly 37 per cent of the group total.

Hartstone, which is expected next month to report profits of some £22.5m for the year to March 31, will have debt representing about 45 per cent of shareholders' funds after the proceeds are used to reduce UK borrowings. Interest cover would be about eight times, said Mr Barker.

The three institutions are believed to be leading insurance companies active in the private placement market. Mr Barker said the institutions had indicated they were prepared to increase the levels of debt "as and when we make any further moves".

NEWS DIGEST

Arthur Shaw shares fall by 58%

THE SHARE price of Arthur Shaw crashed 58 per cent yesterday after the company announced it was in loss and would not pay a final dividend. The maker of builders' hardware and engineering products supplier saw its shares fall from 50p to 21p.

It said because of adverse conditions experienced in the second half, the results for the year to March 31 1992 would show a loss. And that would be exacerbated by exceptional charges for reorganisation and redundancies.

In the long term interests of shareholders a final dividend would not be paid.

Shaw maintained its interim dividend at 1.3p although pre-tax profits for the first half fell from £235,000 to £113,000, and earnings per share were down to 0.9p (2p).

NMW Computers falls to £0.2m loss

NMW Computers, the stock processing bureau, fell into the red in the year to December 31, as a result of recession, low levels of stock market activity and continued losses from Charterhouse Group, acquired in May.

The dividend is passed: last year 0.5p was paid.

At the pre-tax level, losses came to £207,000 (profits £413,000), even though turnover advanced to £10.6m (£8.73m).

But the losses at Charterhouse were much reduced, and with its acquisition NMW had now diversified away from the securities industry. The financial services division had, however, traded profitably and was now dependent on stock market volumes for only half its revenue.

There was an extraordinary charge of £111,000 (nil). Losses per share emerged at 0.9p (earnings 1.3p).

Exceptionals stump Usher-Walker

Exceptional costs hit Usher-Walker, the printing inks group, in 1991 and its pre-tax profit fell from £400,000 to £60,000.

There was a charge of £332,000 for stock write-offs and reorganisation aimed at lowering the cost base.

Operating profit moved up to £643,000 (£632,000) on turnover of £16.7m (£17m) as a result of continuing cost reductions and improvements in ink formulations. Those factors offset poorer figures from the roller division.

After tax there were losses per share of 0.4p (earnings 7.1p). The directors said the group was well placed to take advantage of economic recovery, and are lifting the dividend from 5.5p to 6p with a final of 4p.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Atlas Converting	fin	14	June 8	13	21	19.5
Grampian	fin	3.8	May 30	3.5	5.5	5
Johnston Group	fin	4.5	July 1	8.5	9	13
NMW Computers	fin	nil	-	0.5	nil	0.5
Scottish TV	fin	13.125	June 8	11.5*	16	14.375*
Shaw (Arthur) §	fin	nil	-	2.8	1.3	4.1
Shorco	fin	2.8	June 12	2.8	5.2	5.2
Steetley	fin	nil‡	-	9	5	14
Usher-Walker	fin	4	June 1	3.75*	6	5.5*
Young Group	fin	nil	-	2.6	2.6	5.2

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On increased capital. §USM stock. ‡Dividend received through Redland holding, equal to 14.57p per Steetley share.

Brabant £4.9m in red after write-down

Brabant Resources, the USM-quoted oil and gas exploration and production company, announced a net loss of £4.92m for 1991. That compared with profits of £364,000 for the nine months to December 1990.

Tax took £100,000 (nil) and losses per share were 29.6p (5.1p earnings).

The company said the loss was because of the "prudent decision" to write down the value of unproved exploration assets by £4.7m in view of the current low oil price and lack of exploration success.

Turnover was £2.88m (£1.38m) and net oil production jumped to an average of 1,172 (780) barrels of oil a day.

ECONOMIC DIARY

TOMORROW: General elections in Italy.

MONDAY: Central Statistical Office publishes figures for credit business *(February)*. European Community general affairs council meets in Luxembourg (until April 10). European Parliament in session in Strasbourg (until April 10). European Community social affairs council meets in Luxembourg. Russia's supreme legislature meets in Moscow to discuss *progress of economic* reforms and a new constitution. World Bank due to confirm second tranche of loans *to Bulgaria*. International Atomic Energy Agency meets in Vienna to discuss the safety of nuclear reactors. Gallup/BSL regional consumer survey.

TUESDAY: Central Statistical Office issues cyclical indicators for the UK economy (February-first estimate); steel stocks and consumption (fourth quarter). Middle East environment conference opens in Dubai (until April 9). US primaries in *New York, Minnesota, Kansas* and Wisconsin.

WEDNESDAY: International conference in Athens on "Europe and the Mediterranean in the new world context".

THURSDAY: British general elections. Palestine Liberation Organisation central council meets to assess Middle East peace process.

FRIDAY: British Steel/BISPA give figures for usable steel production in March. Details of employment, unemployment, earnings, prices and other indicators published by the Department of Employment. Central Statistical Office announces retail prices index and tax and price index (March), while the Bank of England issues quarterly analysis of bank advances (December-February). European Bank for Reconstruction and Development holds seminars up to bank's first annual meeting in Budapest on April 13 and 14, at which top international financial officials are expected to review the region's progress towards free markets.

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Friday April 3 1992 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1992 to date	Thu Apr 2 Index No.	Wed Apr 1 Index No.	Tue Mar 31 Index No.	Year ago (approx.) Index No.	1991/92 High	1991/92 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (179)	771.44	-0.6	8.01	6.18	16.33	7.91	776.08	775.67	784.44	886.64	890.04 15/3 /91	675.31 16/1 /91	1030.07 16/7 /87	50.71 13/12/74
2 Building Materials (22)	931.82	-0.5	6.84	6.79	20.41	2.76	936.17	929.87	939.83	1145.03	1167.75 14/3 /91	820.50 23/12/91	1381.08 16/7 /87	44.27 11/12/74
3 Contracting, Construction (28)	846.87	-0.9	7.77	8.33	19.71	8.17	854.36	854.01	870.84	1413.40	1438.66 15/3 /91	822.60 23/12/91	1951.50 16/7 /87	71.48 2 /12/74
4 Electricals (8)	2315.69	-0.7	8.06	6.37	16.13	20.97	2331.48	2326.05	2349.40	2463.13	2675.48 1 /10/91	1837.98 22/1 /91	3040.80 8 /9 /89	84.71 25/6 /62
5 Electronics (29)	1736.26	+0.2	10.37	4.89	12.23	2.63	1733.09	1740.46	1766.70	1854.97	1958.19 15/3 /91	1478.08 16/1 /91	2308.22 19/5 /89	1229.01 8 /10/85
6 Engineering-Aerospace (7)	329.21	-1.2	10.29	7.86	12.65	9.52	333.19	327.64	333.76	466.42	469.23 9 /4 /91	313.50 14/2 /92	502.42 13/6 /90	313.50 14/2 /92
7 Engineering-General (44)	472.72	-1.2	8.99	4.99	13.77	4.06	478.70	480.50	487.62	468.00	506.41 10/3 /92	339.57 23/1 /91	506.41 10/3 /92	339.57 23/1 /91
8 Metals and Metal Forming (9)	302.42	-2.1	2.06	11.45	-	0.32	308.81	310.59	316.46	509.10	509.18 3 /4 /91	286.87 20/12/91	596.67 9 /10/87	49.65 6 /1 /75
9 Motors (14)	302.03	-0.2	9.05	7.81	14.41	4.81	301.68	304.81	310.09	353.11	371.25 6 /9 /91	266.43 16/1 /91	421.42 13/10/87	19.91 6 /1 /75
10 Other Industrial Materials (19)	1606.13	-0.5	7.40	5.16	16.54	25.72	1613.72	1613.02	1618.55	1586.61	1695.01 2 /9 /91	1147.76 16/1 /91	1881.53 18/8 /89	277.55 15/1 /81
21 CONSUMER GROUP (188)	1567.02	-0.8	7.67	3.61	15.98	7.27	1580.01	1584.42	1605.51	1480.99	1688.40 10/3 /92	1188.45 16/1 /91	1688.40 10/3 /92	61.41 13/12/74
22 Brewers and Distillers (24)	1967.81	-0.5	8.21	3.70	14.66	7.92	1977.85	1999.12	2016.51	1794.58	2168.05 10/3 /92	1478.24 25/1 /91	2168.05 10/3 /92	69.47 13/12/74
25 Food Manufacturing (17)	1220.87	-0.1	8.98	4.30	13.89	8.41	1222.70	1212.60	1223.50	1210.94	1280.89 24/2 /92	1013.60 16/1 /91	1280.89 24/2 /92	59.67 11/12/74
26 Food Retailing (18)	2474.50	-1.7	8.91	3.42	14.59	4.30	2518.38	2555.68	2585.39	2810.49	2854.91 2 /5 /91	2231.21 22/11/91	2854.91 2 /5 /91	54.25 11/12/74
27 Health and Household (24)	4116.36	-1.2	6.64	2.56	17.10	19.88	4167.52	4159.44	4203.47	3300.52	4654.94 14/1 /92	2454.93 16/1 /91	4654.94 14/1 /92	175.38 28/5 /80
29 Hotels and Leisure (20)	1234.48	+0.3	7.25	5.51	17.54	8.54	1231.21	1231.34	1255.18	1390.53	1405.62 2 /9 /91	1066.91 25/1 /91	1845.77 8 /9 /89	54.83 9 /1 /75
30 Media (25)	1473.27	-0.2	6.52	3.72	19.31	9.98	1475.84	1473.22	1497.57	1497.42	1586.16 3 /3 /92	1166.91 16/1 /91	1586.16 3 /3 /92	1166.91 16/1 /91
31 Packaging, Paper & Printing (17)	715.85	+0.2	7.50	4.61	15.66	5.97	714.63	723.98	740.40	679.90	788.41 9 /9 /91	496.96 16/1 /91	788.41 9 /9 /91	43.46 6 /1 /75
34 Stores (33)	941.79	-1.5	7.84	3.84	16.94	1.91	955.95	959.42	981.45	932.43	1082.38 28/2 /92	766.89 29/1 /91	1160.58 29/7 /87	52.63 6 /1 /75
35 Textiles (10)	644.39	-0.6	7.57	4.82	16.56	2.69	648.00	647.15	657.78	556.17	681.56 10/3 /92	396.58 28/1 /91	914.52 2 /10/87	62.66 11/12/74
40 OTHER GROUPS (116)	1140.56	-0.8	10.64	5.79	11.85	11.06	1150.08	1148.52	1168.00	1228.91	1330.48 2 /10/91	961.05 16/1 /91	1330.48 2 /10/91	58.63 6 /1 /75
41 Business Services (17)	1238.89	-1.3	8.07	5.10	15.83	4.85	1254.79	1269.03	1292.02	1227.74	1451.74 16/1 /92	892.28 1 /2 /91	1451.74 16/1 /92	892.28 1 /2 /91
42 Chemicals (22)	1423.88	-0.2	7.27	5.11	16.86	20.70	1426.39	1439.17	1463.13	1284.01	1520.52 2 /9 /91	1004.01 16/1 /91	1545.46 5 /10/87	71.20 1 /12/74
43 Conglomerates (11)	1270.14	-1.0	11.21	7.92	10.91	3.18	1282.33	1274.80	1288.77	1585.53	1626.42 14/3 /91	1203.24 23/12/91	1819.46 11/8 /89	975.19 10/11/87
44 Transport (14)	2297.90	-0.5	5.72	4.94	23.50	6.61	2309.28	2315.71	2358.16	2225.08	2448.16 17/1 /92	1730.87 23/1 /91	2554.69 12/7 /89	90.80 29/6 /62
45 Electricity (16)	1049.63	-0.5	16.74	7.88	7.79	17.21	1054.44	1056.04	1104.53	1154.89	1286.51 2 /10/91	994.96 7 /1 /91	1286.51 2 /10/91	994.96 7 /1 /91
46 Telephone Networks (4)	1274.20	-1.5	12.30	4.92	10.61	16.02	1293.75	1282.54	1300.80	1454.88	1668.67 2 /10/91	1085.95 16/1 /91	1658.67 2 /10/91	517.92 30/11/84
47 Water (10)	2175.40	+0.1	19.60	7.31	5.62	0.00	2172.69	2196.37	2245.25	2503.36	2539.85 6 /9 /91	2134.83 16/1 /91	2539.86 6 /9 /91	1820.28 1 /5 /90
48 Miscellaneous (22)	1836.69	-1.0	6.53	5.36	20.22	20.86	1855.12	1832.71	1831.54	1946.79	2033.42 15/8 /91	1506.17 16/1 /91	2087.06 11/7 /89	60.39 6 /1 /75
49 INDUSTRIAL GROUP (483)	1231.76	-0.8	8.64	4.75	14.49	8.87	1241.48	1242.62	1260.10	1259.44	1326.54 10/3 /92	991.97 16/1 /91	1326.54 10/3 /92	59.01 13/12/74
51 Oil & Gas (17)	1937.42	-0.8	9.61	7.34	13.74	38.16	1952.61	1957.79	1988.25	2396.66	2509.42 23/7 /91	1937.42 3 /4 /92	2528.70 3 /8 /90	87.23 29/5 /62
59 500 SHARE INDEX (500)	1298.02	-0.8	8.74	5.02	14.41	11.04	1308.25	1309.69	1328.31	1356.60	1424.90 2 /9 /91	1092.04 16/1 /91	1424.90 2 /9 /91	63.49 13/12/74
61 FINANCIAL GROUP (87)	637.33	-1.6	-	7.11	-	11.95	647.88	650.31	665.13	850.47	859.94 15/3 /91	637.33 3 /4 /92	896.67 13/10/87	55.88 13/12/74
62 Banks (9)	790.95	-2.0	5.46	6.90	36.50	22.89	807.07	811.82	831.00	946.49	990.15 6 /9 /91	695.08 15/1 /91	990.15 6 /9 /91	62.44 12/12/74
65 Insurance (Life) (6)	1265.93	-1.8	-	7.01	-	15.74	1289.36	1301.80	1330.06	1573.75	1632.53 4 /9 /91	1220.74 16/1 /91	1632.53 4 /9 /91	44.88 2 /1 /75
66 Insurance (Composite) (7)	429.10	-2.1	-	8.11	-	4.99	438.42	435.71	444.52	717.37	728.27 15/3 /91	429.10 3 /4 /92	768.11 29/12/89	43.96 13/12/74
67 Insurance (Brokers) (10)	919.87	-0.6	8.48	7.29	15.53	18.78	925.86	904.32	919.66	1202.38	1202.38 5 /4 /91	904.32 1 /4 /92	1399.56 17/7 /87	65.86 16/12/74
68 Merchant Banks (7)	408.73	-0.9	-	5.07	-	4.25	412.40	416.42	428.03	433.37	498.05 15/11/91	327.70 16/1 /91	547.59 12/10/87	31.21 7 /1 /75
69 Property (33)	621.72	-0.9	9.25	7.30	14.81	1.32	627.08	633.86	651.54	1036.72	1087.65 15/3 /91	621.72 3 /4 /92	1398.87 5 /9 /89	56.01 20/4 /65
70 Other Financial (15)	224.01	+0.1	8.95	7.72	14.68	2.13	223.71	223.89	226.35	294.39	298.63 15/3 /91	223.71 2 /4 /92	603.48 16/7 /87	33.29 17/12/74
71 Investment Trusts (70)	1116.15	-0.9	-	3.98	-	10.34	1125.95	1127.13	1143.96	1220.86	1261.80 6 /9 /91	947.19 16/1 /91	1323.81 4 /1 /90	71.12 13/12/74
99 ALL-SHARE INDEX (657)	1142.45	-0.9	-	5.22	-	11.03	1152.58	1154.18	1171.71	1232.32	1284.07 6 /9 /91	987.46 16/1 /91	1284.07 6 /9 /91	61.92 13/12/74

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 2	Apr 1	Mar 31	Mar 30	Mar 27	Year ago	1991/92 High	1991/92 Low	Since Compilation High	Since Compilation Low
FT-SE 100 SHARE INDEX♦	2382.7	-22.7	2397.9	2379.5	2405.4	2408.6	2440.1	2452.9	2447.9	2545.3	2679.6 2 /9 /91	2054.8 16/1 /91	2679.6 2 /9 /91	986.9 23/7 /84

FIXED INTEREST

PRICE INDICES	Fri Apr 3	Day's change %	Thu Apr 2	Accrued interest	xd adj. 1992 to date
British Government					
1 Up to 5 years (27)	120.08	+0.07	120.00	2.23	2.88
2 5-15 years (25)	131.78	+0.13	131.61	1.99	4.09
3 Over 15 years (9)	141.03	+0.12	140.87	2.18	2.78
4 Irredeemables (6)	156.44	+0.38	155.84	3.60	1.50
5 All stocks (67)	130.53	+0.11	130.38	2.15	3.57
Index-Linked					
6 Up to 5 years (2)	169.86	-0.06	169.96	0.51	1.37
7 Over 5 years (9)	144.53	+0.03	144.49	0.82	1.20
8 All stocks (11)	146.89	+0.01	146.87	0.77	1.21
9 Debs & Loans (62)	115.43	+0.27	113.12	2.06	3.23

AVERAGE GROSS REDEMPTION YIELDS		Fri Apr 3	Thu Apr 2	Year ago (approx.)	1991/92 High	1991/92 Low
British Government						
1 Low	5 years	9.42	9.43	9.31	10.14 16/1 /91	8.42 12/11/91
2 Coupons	15 years	9.69	9.70	9.57	10.24 2 /1 /91	9.08 27/2 /92
3 (0%-7¾%)	20 years	9.69	9.70	9.66	10.26 2 /1 /91	9.08 27/2 /92
4 Medium	5 years	10.27	10.27	10.13	11.15 2 /1 /91	9.34 27/2 /92
5 Coupons	15 years	9.79	9.79	9.95	10.62 2 /1 /91	9.14 27/2 /92
6 (8%-10¾%)	20 years	9.72	9.72	9.90	10.50 2 /1 /91	9.11 27/2 /92
7 High	5 years	10.48	10.49	10.27	11.25 2 /1 /91	9.57 27/2 /92
8 Coupons	15 years	9.94	9.95	10.12	10.80 2 /1 /91	9.23 27/2 /92
9 (11%-)	20 years	9.84	9.85	10.07	10.67 2 /1 /91	9.17 27/2 /92
10 Irredeemables		9.89	9.92	9.86	10.46 2 /1 /91	9.28 27/2 /92
Index-Linked						
11 Inflation rate 5%	Up to 5yrs.	3.88	3.82	3.70	4.48 15/7 /91	3.52 4 /3 /92
12 Inflation rate 5%	Over 5 yrs.	4.59	4.59	4.11	4.99 3 /4 /92	4.09 18/2 /91
13 Inflation rate 10%	Up to 5 yrs.	3.10	3.14	2.89	3.60 9 /7 /91	2.13 21/2 /91
14 Inflation rate 10%	Over 5 yrs.	4.41	4.40	3.93	4.41 3 /4 /92	3.90 12/4 /91
15 Debs &	5 years	11.47	11.47	11.85	12.63 9 /1 /91	10.77 12/2 /92
16 Loans	15 years	11.17	11.19	11.64	12.38 18/1 /91	10.59 12/2 /92
17	25 years	10.97	11.00	11.44	12.16 18/1 /91	10.44 27/2 /92

♦Opening index 2397.9; 9 am 2391.6; 10 am 2393.1; 11 am 2392.7; Noon 2391.9; 1 pm 2383.6; 2 pm 2383.0; 2.30 pm 2384.4; 3 pm 2382.0; 4.10 pm 2381.1; (a) 8.30am (b) 3.53pm

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Business Services	31/12/90	999.65	Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electricity	31/12/90	999.65	Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Media	31/12/90	1228.68	Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Engineering - Aerospace	29/12/89	486.00	Health/Household Products	30/12/77	261.77	All Other	10/4/62	100.00
Engineering - General	29/12/89	486.00	Other Groups	31/12/74	63.75	British Government	31/12/75	100.00
Water	29/12/89	1968.45	Industrial Group	31/12/70	128.20	Do. Index-linked	30/4/82	100.00
Conglomerates	31/12/86	1114.07	Other Financial	31/12/70	128.06	Debs & Loans	31/12/77	100.00

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. Tel: 071-925 2323. CONSTITUENT CHANGES: ADDITIONS: Dwek Holdings (5), Proteus Intl (27); DELETIONS: Macarthy (27), Staveley (2). For quarterly constituent changes see April 1 edition page 26.

LONDON TRADED OPTIONS

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Allied Lyons (*582)	550	40	52	70	3½	16	22
	600	11	26	43	21	42	47
ASDA (*29)	25	5	8	9½	2	3	4½
	30	3	5	6½	4	5½	7
Brit. Airways (*241)	240	10	18½	26	7	17	22
	260	3	10	17	20	31	33
SmKl Beecham A (*847)	800	58	87	108	5	19	31
	850	22	55	76	20	40	52
Boots (*415)	390	32	40	50	4	11	13
	420	9	19	31	12	23	26
B P (*241)	240	8½	16	20	6	12	17
	260	2½	7½	13	19	25	28
British Steel (*64)	60	6	9	10½	2	4	5
	70	2	4	6	8	10	11
Bass (*519)	500	26	43	55	7	15	20
	525	13	28	43	16	25	38
C & Wire (*519)	500	31	47	62	6	19	25
	550	5½	23	36	33	47	53
Courtaulds (*513)	500	22	38	52	9	21	28
	550	2½	14	29	40	50	56
Com. Union (*402)	390	20	37	43	4½	13	20
	420	5	21	28	21	28	36
Fisons (*321)	300	27	39	52	4	10	16
	330	10	21	35	13	27	33
GKN (*339)	330	17	32	37	5	13	21
	360	4	16	22	23	30	37
Grand Met. (*894)	850	54	87	104	6	17	28
	900	21	56	73	23	37	47
I.C.I. (*1226)	1200	48	97	115	15	33	53
	1250	19	66	89	38	57	76
Kingfisher (*458)	420	46	54	64	3½	12	16
	460	14	30	41	15	28	33
Ladbroke (*213)	200	11	22	28	5	11	16
	220	4	11	19	17	21	25
Land Secur (*376)	360	23	29	32	4½	16	18
	390	4½	11	16	17	35	37
M & S (*274)	260	21	27	35	3	9½	12
	280	8	15	23	12	18	20
Sainsbury (*375)	360	19	30	40	4	9	13
	390	5	15	23	16	25	28
Shell Trans (*440)	420	28	42	58	3	8½	13
	460	4	18	27	22	27	32
Storehouse (*111)	110	7½	14	16	4	10	13
	120	3	9	14	11	17	19
Trafalgar (*116)	110	8	14	18	7	15	17
	120	5	9	14	14	22	23
Utd. Biscuits (*400)	390	18	35	46	4	11	15
	420	4	18	29	20	26	29
Unilever (*903)	900	13	45	72	23	38	46
	950	4	25	48	65	72	77
Ultramar (*n/a)	-						
	-						

Option		May	Aug	Nov	May	Aug	Nov
Brit Aero (*299)	280	33	43	49	8	14	22
	300	21	32	38	17	23	33
BAA (*565)	550	26	41	57	16½	28	34
	600	7	19	34	51	58	63

Option		Calls May	Calls Aug	Calls Nov	Puts May	Puts Aug	Puts Nov
BAT Inds (*676)	650	44	62	72	11	23	33
	700	17	35	46	35	47	59
BTR (*404)	390	27	38	44	7½	11	16
	420	9	21	26	22	26	31
Brit. Telecom (*307)	300	19	26	30	7½	13½	15
	330	6	11	15½	25	32	33
Cadbury Sch (*439)	420	33	48	58	7½	14	18
	460	12	26	37	28	33	37
Eastern Elec (*197)	180	27	31	33	6	9½	14
	200	15	19	24	12½	20	23
Guinness (*534)	525	28	-	-	17	-	-
	550	16	30	43	33	36	39
GEC (*199)	180	23	26	27	1½	4	5½
	200	9½	12	15	7	12½	14
Hanson (*209)	200	16	19½	23	3½	7	9
	220	5	9	12½	12½	16	19
LASMO (*188)	180	14	24	31	14	19	23
	200	7	15	23	26	31	35
Lucas Inds (*109)	100	13	17	20	4	6	8½
	110	6	11	14	7	10	13
P. & O. (*413)	390	25	37	40	18	25	35
	420	12	25	28	38	42	53
Pilkington (*120)	120	9	12	16	6	10½	13
	130	5½	8	11	11	17	19
Prudential (*208)	200	13	20	23	8½	10	14
	220	5	12	15	22	22	24
R.T.Z. (*566)	550	37	57	69	11	19	26
	600	12	29	42	39	45	50
Scot. & New (*441)	420	34	44	50	8	16	19
	460	14	21	30	28	36	40
Tesco (*241)	240	12	20	26	12	14	17
	260	5	11	16	24	26	28
Thames Water (*332)	330	20	27	36	15	27	29
	360	9½	15	24	34	47	50
Vodafone (*308)	300	22	31	41	8	13	18
	330	8	16	26	26	31	35

Option		Jun	Sep	Dec	Jun	Sep	Dec
Abbey Nat. (*262)	260	17	23	32	8½	13	1522
	280	7½	14	20	21	23	26
Amstrad (*29)	25	7½	9½	10	3	3½	4½
	30	4½	6½	8	4	6	7
Barclays (*287)	280	26	32	35	9½	15	18
	300	14	19	25	19	27	30
Blue Circle (*241)	240	14	21	27	16	21	24
	260	7½	12	19	29	33	35
British Gas (*243)	240	12	18	22	11	13	17
	260	4½	9½	13	24	25	27
Dixons (*198)	180	24	23	32	6½	10	13
	200	8½	14	21	15	21	23
Eurotunnel (*407)	390	50	65	80	22	27	35
	420	30	50	65	37	45	50
Glaxo (*766)	750	64	88	99	32	48	57
	800	39	62	84	59	73	82
Hillsdown (*163)	160	10	15	18	10	13	15
	180	4	7½	10½	25	27	28
Lonrho (*89)	80	12	18	23	12	17	18
	90	9	13	19	18	23	26

Option		Calls Jun	Calls Sep	Calls Dec	Puts Jun	Puts Sep	Puts Dec
Midland Bk (*336)	330	27	34	43	14	18	21
	360	14	19	27	32	34	37
National Power (*192)	180	23	27	30	6½	11	13
	205	9½	13	-	18	23	-
Reuters (*1108)	1100	85	112	140	48	61	70
	1150	57	89	120	77	85	94
R. Royce (*152)	140	19½	24	26	4	6½	8
	160	8½	12½	16	13	15	17
Scottish Power (*79)	70	16	17	18	3½	7½	9
	80	9	11	14	7	12	14
Sears (*91)	90	6½	7½	9½	7	8	9
	100	2½	4	6	15	15½	17
Forte (*222)	220	12	18	23	15	17	19
	240	5½	10	15	28	31	32
Thorn EMI (*737)	719	51	57	-	16	31	-
	769	24	31	-	41	60	-
TSB (*122)	120	10	13	16	5½	8	9
	130	6	8	11	10½	13	15
Vaal Reefs (*$54)	50	9½	9½	10½	2½	4	5
	60	4	5	7	7½	9	10½
Wellcome (*1029)	1000	86	124	159	38	54	71
	1050	60	96	133	62	78	50

EURO FT-SE INDEX (*2380)

	2225	2275	2325	2375	2425	2475	2525	2575
CALLS								
Apr	180	138	101	70	44	27	15	8
May	200	160	125	91	64	43	28	16
Jun	210	-	136	-	78	-	40	-
Sep	262	-	185	-	125	-	80	-
Dec	300	-	240	-	180	-	130	-
Mar	332	-	270	-	210	-	160	-
PUTS								
Apr	13	21	33	50	77	107	147	189
May	24	32	45	63	87	115	148	186
Jun	27	-	50	-	90	-	148	-
Sep	45	-	73	-	107	-	155	-
Dec	60	-	85	-	120	-	160	-
Mar	70	-	90	-	120	-	160	-

FT-SE EUROTRACK 100 INDEX (*-)

	-	-	-	-	-	-	-	-
CALLS								
Mar	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-
PUTS								
Mar	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-

FT-SE INDEX (*2382)

	2200	2250	2300	2350	2400	2450	2500	2550
CALLS								
Apr	206	156	119	86	55	34	19	10
May	220	180	140	103	77	53	34	22
Jun	230	190	153	118	90	67	47	33
Jul	250	208	171	137	109	84	64	45
Dec †	310	-	240	-	180	-	130	-
PUTS								
Apr	10	16	26	40	65	98	133	176
May	18	27	38	54	77	106	139	180
Jun	24	33	44	60	79	110	145	187
Jul	29	37	52	68	90	117	150	189
Dec †	55	-	85	-	120	-	175	-

April 3 Total Contracts 50,569
Calls 16,231 Puts 34,338
FT-SE Index Calls 6,012 Puts 5,083
Euro FT-SE Calls 141 Puts 1,793
Eurotrack 100 Index Calls 0 Puts 0
*Underlying security price. † Long dated expiry months. Premiums shown are based on closing offer prices.

TRADITIONAL OPTION 3-month call rates

	p
INDUSTRIALS	
Allied-Lyons	49
Amstrad	5½
Astec (BSR)	3
BAT Inds	60
BOC	49
BTR	32
Barclays	30
Blue Circle	20
Boots	33
Bowater	56
Brit Aerospace	30
British Steel	6
Brit Telecom	24
Cadburys	33
Charter Cons.	37
Comm Union	32
Courtaulds	39
Eurotunnel	34
FKI	5½
FNFC	6
Forte	16
GKN	26
Gen Accident	31
GEC	15
Glaxo	69
Grand Met	70
GRE	10
Hanson	16
ICI	90
Ladbroke	17
Legal & Gen	27
Lex Service	16
Lloyds Bank	29
Lonhro	15
Lucas Inds	10½
Marks Spencer	24
Midland Bank	19
NatWest Bank	23
P & O Dfd	30
Racal Elect	5
RHM	16
Rank Org	52
Ratners	3
Reed Intl	39
Sears	8
SmKl Bchm A	65
TI	48
TSB	9½
Tesco	19
Thorn EMI	58
T & N	11½
Unilever	70
Vickers	12
Wellcome	72
PROPERTY	
Brit Land	18
Land Sec.	32
MEPC	26
Mountleigh	1½
OILS	
Aviva Pet	30
BP	21
Burmah Castrol	39
Conroy Pet	8
Gaelic Res	½
Premier Cons	2½
Shell	33
Tuskar Res	½
MINES	
RTZ	42

Roche earnings rise 56%

By Ian Rodger in Zurich

ROCHE surpassed Ciba-Geigy last year to become the largest of the big three Swiss chemical and pharmaceutical groups in terms of net profit.

Roche yesterday reported a 56 per cent jump in consolidated net income in 1991 to SFr1.5bn ($995m), comfortably surpassing the SFr1.28bn revealed last week by Ciba. Net income of Sandoz, the third largest, was SFr1.1bn.

Ciba remains by far the largest of the three in terms of sales, with turnover last year of SFr21bn, compared with Sandoz's SFr13.4bn and Roche's SFr11.5bn.

Roche described its profit last year as "a very good result" and proposed raising the dividend by one third to SFr28 per share or dividend right certificate. The profit was considerably above analysts' expectations, but there were indications that a large part came from non-operating items, notably exchange rate movements.

Roche said that "the continued healthy development in the non-operating sector has also been a major contribution to the very good result". The relative weakness of the Swiss franc was another contributing factor, it added.

The group said profits in its operating business improved in spite of a considerable increase in spending on introducing new products, and substantial restructuring costs.

Mr Nigel Spence of Baring Securities said the growth of profits from operations was probably higher than the 18.4 per cent growth in sales.

"The fact that much of this tremendous profit growth came from interest income and currency changes does not change our view that this is one of the best quality plays in Switzerland," he said.

The group's dividend right certificates *(genusschein)* rose SFr40 yesterday to SFr3,120.

Roche said its cash flow rose 41 per cent to SFr2.26bn and capital spending was up 26 per cent to SFr1.1bn, with much of it directed at projects in the US and Switzerland.

Spending on research and development projects was up 19.6 per cent to SFr1.7bn, representing 15 per cent of sales.

Swiss group uses novel share plan

By Ian Rodger

EMS-CHEMIE, the Swiss speciality chemicals group, has found a novel way of making a large distribution to shareholders without, it hopes, exposing them to tax.

The group intends to pay back to shareholders part of the nominal value of their shares. As this would represent neither a capital gain nor a dividend to the shareholder, EMS is confident that it will be free of tax.

The move is part of a restructuring of capital that EMS, like many Swiss companies, is proposing this year to take advantage of impending changes in Swiss company law.

Under the EMS plan, holders of the SFr500 nominal bearer shares will receive SFr200 per share. Then the shares will be split three-for-one, reducing their nominal value to SFr100.

There is a similar scheme for the SFr100 registered shares, which are held by Mr Christoph Blocher, the chairman. An SFr40 per share payment would be made and then the shares would be split three-for-one.

The distributions would cost the group the equivalent of 57 per cent of its SFr99m net income last year.

No dividend would be paid on last year's profit. In the two previous years, the group offered shares and options on shares in lieu of dividends.

Mr Blocher said yesterday EMS was considering taking advantage of the new provisions of Swiss law permitting companies to buy back their own shares.

CIBC names Al Flood as next chairman

By Bernard Simon in Toronto

CANADIAN Imperial Bank of Commerce, Canada's second biggest financial institution, has named Mr Al Flood as its next chairman and chief executive.

Mr Flood, aged 56 and head of CIBC's corporate banking unit, will succeed Mr Donald Fullerton who is retiring after seven years in the top job. The appointment takes effect on June 7.

CIBC is the lead banker to Olympia & York, the cash-strapped property developer which is in the throes of restructuring its debt.

Mr Flood, assisted by Mr John Bowden, executive vice-president for Canadian corporate banking, has had responsibility for the bank's negotiations with O&Y.

Mr Flood has spent his working life with the bank and is a low-key manager. He is unlikely to make any large changes in the short-term, beyond overseeing an expansion into insurance and fiduciary services.

Commission drops case against Spalvins

By Kevin Brown in Sydney

COURT proceedings against Mr John Spalvins and another former director of the Adsteam group have been dropped, the Australian Securities Commission (ASC) said yesterday. The ASC instigated civil proceedings against Mr Spalvins, the former managing director of the ASC, and Mr Michael Kent, the former finance director, in relation to US share dealings.

The ASC alleged that dealings authorised by the two men in the shares of Adelaide Steamship and David Jones, an Adsteam group affiliate, had resulted in a loss to David Jones.

However, the commission said it had decided to drop the case following an agreement between the independent boards of the two companies that Adelaide Steamship will pay A$3m (US$2.3m) to David Jones.

The commission said the agreement vindicated its decision to take legal action, and noted that there was no evidence that the two directors had benefited from the share deals.

In a statement, Mr Spalvins said he was disappointed that the commission had thought it necessary to instigate proceedings, but pleased that the case had been dropped.

Mr Spalvins was fired from the Adsteam group in 1990 after its bankers moved in to restructure the group's complex web of interlocking shareholdings and reschedule its debt. Mr Kent left the group last year.

● Southern Cross Airlines, the newly-formed operator, would buy the collapsed domestic carrier Compass Airlines through a scheme of arrangement or asset sale, said Mr Ian Ferrier, Compass's provisional liquidator, Reuters reports.

He said that a binding agreement had been reached with Southern Cross, alleviating the need to obtain directions from Australia's Federal Court on the sale. "The sale through a scheme of arrangement will achieve a greater return to creditors and members than a straight asset sale."

Reshuffle as Tapie turns to politics

Bernard Tapie: continues *in control at Adidas*

By William Dawkins in Paris

MR Bernard Tapie, France's new minister for cities, yesterday put his two closest business associates in charge of his two main companies, to free himself to concentrate on his political duties.

Mr Tapie, who was nominated to the French government on Thursday night, said he would continue to control Adidas, the German sports shoe maker he bought two years ago.

However, he said he would hand over his functions there to Mrs Gilberte Beaux, the former banker who joined the French group during the acquisition.

At the same time, he promoted Mr Elie Fellous, finance director of the Bernard Tapie Finances (BTF) holding group since 1998, to become BTF's president.

Mrs Beaux, a former business associate of James Goldsmith, has handled Mr Tapie's relations with French banks and represented him on the Adidas board.

The move comes a day after Mr René Jäggi, Adidas's chief executive, said he would leave at the end of this year, possibly for the top job at Hugo Boss, the men's fashion group.

Mr Fellous' first task will be to handle the asset disposals to fund the final FFr726m ($129.6m) debt repayment which BTF must make by next August, on the borrowings it incurred for the FFr1.6bn Adidas acquisition.

BTF sold La Vie Claire, the health foods group for an undisclosed sum in February and is understood to want to sell Teston and Terraillon, the separately-quoted makers of weighing machines.

● Rémy Cointreau, the French drinks group, yesterday reported a successful public issue of 20.8 per cent of its shares, writes Philip Rawstorne.

Tobishima agrees new debt plan

By Robert Thomson in Tokyo

TOBISHIMA Corporation, a leading Japanese contractor and developer, has announced that a plan to reduce its Y1,000bn ($749.6m) in group debt has failed, and that a new five-year scheme, including an indefinite cut in interest rates, has been approved by its main bank, Fuji Bank.

The plight of Tobishima, once renowned for railway and power plant construction, but now a victim of its speculative property developments, highlights the importance of the main bank relationship in Japan. Its debt-shuffling method of holding off collapse is common to other Japanese companies facing stock and property losses.

Last June, Tobishima announced a three-year debt restructuring plan in which it would offload property holdings, but the weak property market forced it to shift assets and debts around group companies, with the result that total debt has risen from Y930bn in March last year to Y1,000bn. However, the new scheme, overseen by two former Fuji Bank executives, also involves a significant amount of debt shuffling.

Most of the burden will be assumed by Nihon Kaiser, a concrete slab maker in which Tobishima has a 19 per cent stake, and which is run by a nephew of Mr Hitoshi Tobishima, the contractor's president.

Mr Tobishima, 79, resumed as president last year after having forced his son, Akira, to resign. Akira had authorised a spate of US purchases and had wanted to develop an international chain of five-star hotels.

Under the plan, Tobishima will transfer Y430bn of its debt to a subsidiary, Tobishima Urban Development, giving it a total of Y790b in debt, and reducing the parent's exposure to Y210bn.

At the same time, ownership of Tobishima Urban will be transferred to Nihon Kaiser, in the hope of allowing the parent to concentrate on rebuilding its construction business.

Tobishima is also trying to distance itself from Tobishima Urban and the large debt in an attempt to take pressure off its share price, which yesterday fell Y71 to Y535.

The contractor said that Fuji Bank, which has a 4.8 per cent stake in Tobishima, and about 80 other banks have agreed to reduce the interest on its debt from about 6.5 per cent to 3 per cent this year, while Tobishima Urban's interest rate is likely to be cut to 1 per cent, indefinitely.

The success of the plan depends on a recovery in the Japanese property market, and Tobishima says the 1 per cent interest rate will be reviewed as holdings are sold off. The company has sold its Tokyo headquarters, near the Imperial Palace, but the buyer was another member of the same group.

For the fiscal year just ended, the company expects to report an after-tax loss of Y45bn, including write-offs from the overhaul of a Japanese and a US subsidiary, and Y13.3bn in losses from a Los Angeles building project. Pre-tax profit is estimated at Y1bn, down from a forecast of Y5bn.

Fujitsu, the Japanese electronics group, has withdrawn from the US facsimile market because of tough price competition with other Japanese makers, Reuter reports.

US facsimile sales were increasing by around 15 per cent a year but the cost of maintaining a sales network drove Fujitsu's American fax operations into deficit, the company said.

Fujitsu, which exported faxes to the US from Japan, had roughly 3.5 per cent of the market.

Madrid gives green light to Repsol bond

By Peter Bruce in Madrid

THE SPANISH Government yesterday gave the green light for a convertible bond offering worth between Pta25bn ($240m) and Pta50bn in Repsol, its oil, gas and chemicals group. Company officials said the offering would be made in Spain, to small shareholders, next month.

At yesterday's share prices the maximum offering of Pta50bn would reduce the state's stake in Repsol by about 5.9 per cent, to 60.6 per cent, although the Cabinet yesterday authorised a limit of 8.33 per cent in any reduction of the state's holding.

Company officials said at least Pta25bn in three-year convertible bonds would be offered next month, but that the full Pta50bn could be tapped if the market proved enthusiastic. In 1989, the state sold off 26.5 per cent of Repsol, to raise $1.3bn in the country's largest ever flotation.

It is highly likely that after the summer, the government will make another large convertible bond issue, this time to institutions in Spain and abroad.

It is possible that this issue could reduce the state's stake in Repsol to below 50 per cent. For that to happen, though, parliament needs to revoke or change a law which forces the state to control at least 50 per cent of Campsa, the monopoly fuel distributor in Spain.

This control is exercised through Repsol, which has more than 65 per cent of Campsa.

Parliament is expected to pass new legislation before the summer recess.

Given the state of the world's stock markets, Repsol is being much more cautious about the second round of privatisation. Late last year an international stock placement was being projected.

In fact, while Madrid has decided to press carefully ahead with Repsol, it has shelved plans to float about 20 per cent of Banco Exterior, its large commercial bank, and is no longer entertaining thoughts of a further placement of stock in Endesa, its profitable electricity utility.

Pemex, the Mexican state-owned oil group, owns 5 per cent of Repsol. Banco Bilbao Vizcaya has 4 per cent. About 10 per cent of the company's stock is held by foreign, mainly US, institutional shareholders. The Repsol group made net profits last year of just over Pta70bn.

London stock market moves closer to Europe

By Richard Waters

THE London stock market is to take a further stride into continental Europe when broking firms which operate entirely outside the UK will be admitted to its international share market.

Two Spanish broking firms, one of them owned by Banco Bilbao Vizcaya, are understood to have applied to join Seaq International, the London exchange's quote system which supports a large telephone market in foreign shares.

Neither broker has operations in London, putting them outside the direct control of the UK market regulators.

The development is being delayed, however, by the need to satisfy the UK's Financial Services Act, which governs investment business in the UK.

Under this act, the brokers will only be allowed to quote prices on Seaq International once there is a formal memorandum of understanding between the Spanish and UK regulatory authorities. This would allow the UK authorities to accept the Spanish firms as being properly regulated.

No memorandum of understanding exists between the UK and Spain, although it is believed that progress is being made to put one in place.

Some brokers quote prices on Seaq International from outside the UK, although they have operations which come under the direct supervision of the UK authorities. These are James Capel, S G Warburg, CCF, Credit Suisse First Boston and Madoff Securities.

Berlitz unveils $189.5m loss for final quarter

By Alan Friedman in New York

BERLITZ, the language school subsidiary of Maxwell Communication Corporation (MCC), unveiled a $189.5m loss for the fourth quarter of 1991.

This follows $195.4m of write-offs and special charges created as a result of MCC's filing for protection from creditors under Chapter 11 of US bankruptcy law.

The partial cause of the write-offs was the default of MCC on certain payments due to Berlitz.

Berlitz – which in February hired the Wall Street stockbroking firm of Donaldson, Lufkin & Jenrette to advise on the possible sale or recapitalisation of the company – discovered last year that the late Mr Robert Maxwell had improperly pledged most of MCC's 56.5 per cent Berlitz equity stake as collateral for bank loans. MCC filed for bankruptcy protection last year.

At present, most of MCC's 56.5 per cent Berlitz stake is actually in the hands of five US and European banks and companies. Injunctions have been brought by Macmillan, the MCC publisher, to prevent the Berlitz stock from being sold.

Yesterday, Berlitz said its fourth quarter 1991 revenues had declined to $66.5m from $73.4m in the last three months of 1990.

The company disclosed a $9.97 per share loss in the quarter, compared with a profit of 12 cents a share in the final quarter of 1990.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1991/92	Low 1991/92
Gold per troy oz.	$341.15	-0.85	$357.50	$403.25	$338.80
Silver Per troy oz	235.05p	-2.35	223.75p	280.55p	183.35p
Aluminium 99.7% (cash)	$1299.5	+21	$1434	$1570	$1082.5
Copper Grade A (cash)	£1289.5	+14.5	£1371.5	£1472	£1147.0
Lead(cash)	£310	+7	£350	£382.5	£279.00
Nickel (cash)	$7420	+95	$9030	$9237.5	$7090.0
Zinc SHG (cash)	$1273	+19	$1233.5	$1430	$990.25
Tin (cash)	$5760	+35	$5487.5	$5915	$5425.0
Cocoa Futures (May)	£622	-7	£560	£829	£596
Coffee Futures (Mar)	Unq	-	£590	£820	£458
Sugar (LDP Raw)	$227.5	+18.4	$227.0	$293	$194
Barley Futures (May)	£116.75	+0.1	£119.8	£122.95	£107.75
Wheat Futures (May)	£124.10	-1.1	£139.0	£141.10	£111.80
Cotton Outlook A Index	58.90c	+2.5	82.85c	88.25c	54.40c
Wool (64s Super)	444p	nc	338p	480p	329p
Oil (Brent Blend)	$16.575x	+0.7	$18.60	$29.16	$15.75

Per tonne unless otherwise stated. †Unquoted. p-pence/kg. c-cents lb. x-May.

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$16.35-6.40	+.075
Brent Blend (dated)	$16.60-6.65	+.125
Brent Blend (May)	$16.55-6.60	+0.10
W T I (1 pm est)	$19.95-0.00z	+0.10
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$207-210	+2
Gas Oil	$168-169	+2
Heavy Fuel Oil	$73-75	-1
Naphtha	$173-175	+2.5
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$341.15	+0.25
Silver (per troy oz)♣	409c	-2
Platinum (per troy oz)	$355.75	+0.50
Palladium (per troy oz)	$84.85	
Copper (US Producer)	107.16	-1.28
Lead (US Producer)	37.0c	
Tin (Kuala Lumpur market)	14.57r	
Tin (New York)	288.5	+1
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	109.94	+0.74
Sheep (live weight)†♣	101.14	+5.72
Pigs (live weight)†	104.77	+5.32
London daily sugar (raw)	$227.5y	+8
London daily sugar (white)	$276.0y	+2
Tate and Lyle export price	£239.5	+4.5
Barley (English feed)	Unq	
Maize (US No. 3 yellow)	£149.5	
Wheat (US Dark Northern)	Unq.	
Rubber (May)♥	55.50p	
Rubber (Jun)♥	55.75p	
Rubber (KL RSS No 1 Mar)	220.0	
Coconut oil (Philippines)§	$562.5y	-2.5
Palm Oil (Malaysian)§	$395.0z	
Copra (Philippines)§	$435w	
Soyabeans (US)	£149.5w	-2.5
Cotton "A" index	58.90c	+1.7
Woolltops (64s Super)	444p	

£ a tonne unless otherwise stated. p-pence/kg c-cents/lb r-ringgit/kg l-Oct/Dec y-Apr/May w-Apr z-May †Meat Commission average fatstockprices * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close m-Malaysian cents/kg ♣Sheep prices are now live weight prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low	
May	202.60	198.00	202.00	199.20
Aug	200.40	196.00	199.60	196.20
Oct	197.60	193.60	196.00	193.20
Dec	187.00	191.00	191.40	
White	**Close**	**Previous**	**High/Low**	
May	278.00	273.00	275.50	272.70
Aug	276.00	273.40	276.50	273.00
Oct	268.00	265.60	267.00	264.70
Dec	268.70		268.10	265.30
Mar	271.00		267.30	
May	273.00		269.30	

Turnover: Raw 1386 (737) lots of 50 tonnes. White 750 (3094)

Paris- White (FFr per tonne)- May 1533.24 Aug 1548.87

CRUDE OIL – IPE $/barrel

	Close	Previous	High/Low	
May	18.59	18.33	18.61	18.37
Jun	18.53	18.30	18.54	18.36
Jul	18.43	18.25	18.47	18.35
Aug	18.39	18.18	18.39	18.25
Sep	18.35	18.16	18.40	18.28
Oct	18.38	18.22	18.38	18.27
IPE Index	18.42	18.32		

Turnover 16000 (20624)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low	
Apr	167.00	166.75	167.75	165.25
May	168.00	168.50	168.50	166.25
Jun	168.25	167.50	168.00	167.00
Jul	170.00	169.00	170.00	168.00
Aug	171.00	170.75	171.00	169.50
Sep	172.75	172.50	173.25	171.25
Oct	175.00	174.75	175.25	173.25
Nov	175.75	176.25	176.75	175.50

Turnover 12184 (15426) lots of 100 tonnes

SPICES

white pepper was available at US$1,300 a tonne and the shipment price for April/May delivery was $1,275 a tonne cif. We do not foresee drastic changes in the near future. The undertone of the black pepper market was easier because of the growing selling pressure from the Far East (Malaysia and Vietnam). The spot European price for grade 1 black pepper was $1,175 a tonne, while that quality could be obtained on shipment basis at about $1,100 a tonne cif.

COCOA – London FOX £/tonne

	Close	Previous	High/Low	
May	622	627	626	620
Jul	650	654	653	647
Sep	675	679	678	672
Dec	709	713	713	706
Mar	741	746	745	740
May	761	766	765	763
Jul	780	789	780	780
Sep	800	808	805	800
Dec	828		832	

Turnover: 3029 (5683) lots of 10 tonnes

ICCO indicator prices (SDRs per tonne). Daily price for Apr 2 769.81 (763.10) 10 day average for Apr.3 808.08 (812.21)

COFFEE – London FOX $/tonne

	Close	Previous	High/Low	
May	865	857	866	853
Jul	869	870	875	867
Sep	881	882	886	878
Nov	898	903	900	897
Jan	916	920	918	

Turnover:1326 (1440) lots of 5 tonnes

ICO indicator prices (US cents per pound) for Apr.2: Comp. daily 55.86 (55.27) 15 day average 55.70 (55.55)

Sterling close: Unq.

POTATOES – London FOX £/tonne

	Close	Previous	High/Low	
Apr	102.5	107.0	105.5	100.5
May	115.0	121.0	118.4	113.0
Apr	128.0	123.0	123.0	122.5

Turnover 388 (154) lots of 20 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low	
Apr	125.30	130.50	125.30	125.20

Turnover 80 (30) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low	
Apr	1170	1175	1165	1160
May	1165	1168	1165	1160
Jul	1054	1057	1055	1040
Oct	1197	1195	1200	1190
BFI	1170	1176	1170	

Turnover 198 (178)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low	
May	124.10	124.00	124.10	123.95
Jun	125.65	125.45	125.65	125.50
Sep	112.50	112.65	112.50	111.20
Nov	115.60	115.70	115.60	115.40
Jan	118.35	119.50	119.35	119.20
Mar	122.40	122.90	122.40	122.25
Barley	**Close**	**Previous**	**High/Low**	
May	116.75	116.55	116.75	
Nov	113.80		112.80	

Turnover: Wheat 280 (182), Barley 10 (42). Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low	
Apr	130.0	137.0	128.8	127.0
May	126.0	126.0	125.5	104.5
Jun	119.8	119.1	120.0	119.4
Jul	114.0	113.5	114.0	113.5
Aug	108.8	109.0	108.9	108.8
Oct	110.5		110.2	110.0
Nov	110.5	109.8	110.2	110.0

Turnover:224 (72) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 25,049 lots
Cash	1299-300	1302-03	1302	1301-02		
3 months	1325-26	1327.5-28	1332/1324	1327.5-28	1324-25	175,457lots
Copper, Grade A (£ per tonne)						Total daily turnover 23,680 lots
Cash	1289-90	1297-98	1293/1290	1293-3.5		
3 months	1317-17.5	1323-24	1321/1317	1320.5-21	1319-19.5	107,844 lots
Lead (£ per tonne)						Total daily turnover 2,330 lots
Cash	308.5-10.5	314.5-5.5	309/308	308-09		
3 months	320.5-21	325.5-26	325/320.5	320-21	321-22	18,855 lots
Nickel ($ per tonne)						Total daily turnover 4,155 lots
Cash	7415-25	7410-20		7365-70		
3 months	7500-10	7500-05	7530/7470	7460-70	7470-80	25,831 lots
Tin ($ per tonne)						Total daily turnover 1,276 lots
Cash	5755-65	5765-95	5785	5760-65		
3 months	5760-70	5775-85	5780/5760	5775-80	5765-70	[illegible] lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 6,219 lots
Cash	1272-74	1275-76	1273	1273-74		
3 months	1263-64	1266-67	1270/1262	1264-65	1264-65	62,494 lots

LME Closing £/$ rate:
SPOT: 1.7430 3 months: 1.7145 6 months: 1.6940 9 months: 1.6610

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	341.00-341.30	
Opening	340.80-341.20	
Morning fix	340.25	195.715
Afternoon fix	340.80	195.691
Day's high	341.00-341.30	
Day's low	340.10-340.40	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	3.51	6 months	3.51
2 months	3.46	12 months	3.73
3 months	3.47		

Silver fix	p/fine oz	US cts equiv
Spot	235.05	408.75
3 months	241.45	413.00
6 months	247.95	417.45
12 months	261.10	428.25

GOLD COINS
(Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	340.50-341.50	195.75-196.25
Maple leaf	351.00-352.00	201.75-202.25
New Sovereign	83.00-84.00	47.75-48.25

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	May	Jun	May	Jun
1200	114	124	3	3
1300	34	49	26	27
1400	4	11	88	92
Copper (Grade A)	**Calls**		**Puts**	
2150	113	116	3	3
2250	32	41	19	27
2350	3	7	89	92
Brent Crude	**May**	**Jun**	**May**	**Jun**
1800	60	68	3	25
1850	21	44		45
1900	7	25		76

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Apr	341.0	340.9	341.8	340.5
May	341.5	341.5	0	0
Jun	342.2	342.4	343.4	341.6
Aug	344.5	344.6	345.2	344.3
Oct	346.7	346.7	0	0
Dec	349.5	349.1	349.9	348.3
Feb	351.5	351.7	351.2	351.5
Apr	354.3	354.3	0	0
Jun	357.2	357.2	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	353.0	353.7	354.0	352.0
Jul	356.5	356.5	357.0	355.2
Oct	360.0	360.0	360.0	360.0
Jan	360.5	360.5	360.5	360.5
Apr	362.0	362.0	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Apr	407.0	407.4	407.0	407.0
May	409.0	408.7	410.0	407.5
Jun	410.3	410.3	0	0
Jul	412.0	411.9	416.0	411.0
Sep	415.0	416.6	415.0	415.0
Dec	421.5	421.3	422.5	420.0
Jan	423.2	423.2	0	0
Mar	428.0	427.6	428.0	428.0
May	432.1	432.1	0	0
Jul	436.6	436.6	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Latest	Previous	High/Low	
May	9.17	9.13	9.20	8.98
Jul	9.04	8.99	9.04	8.89
Oct	8.90	8.85	8.90	8.80
Mar	8.82	8.78	8.86	8.79
May	8.87	8.79	8.87	8.77
Jul	8.82	8.80	8.82	8.80

INDICES

REUTERS (Base: September 18 1931 = 100)

Apr.3	Apr.2	mnth ago	yr ago
1625.3	1614.9	1605.9	1730.3

DOW JONES (Base: Dec. 31 1974 = 100)

	Apr.2	Apr.1	mnth ago	yr ago
Spot	-	117.00	-	-
Futures	-	120.92	-	-

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	102.85	103.40	103.40	102.85
May	102.85	103.50	103.60	102.80
Jun	103.10	103.10	0	0
Jul	102.55	102.80	103.00	102.45
Aug	102.65	102.65	0	0
Sep	102.20	102.40	102.60	102.15
Oct	102.20	102.30	102.20	102.20
Nov	102.30	102.20	0	0
Dec	101.95	102.10	102.10	101.80
Jan	101.85	101.95	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
May	20.00	19.80	20.02	19.88
Jun	19.99	19.80	20.00	19.94
Jul	19.92	19.78	19.94	19.88
Aug	19.88	19.74	19.89	19.80
Sep	19.82	19.68	19.83	19.70
Oct	19.76	19.63	19.79	19.65
Nov	19.72	19.59	19.73	19.59
Dec	19.68	19.55	19.71	19.64
Jan	19.58	19.48	19.57	19.50
Feb	19.42	19.42	0	0

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
May	5455	5428	5500	5440
Jun	5410	5380	5440	5390
Jul	5415	5397	5445	5405
Aug	5485	5468	5500	5475
Sep	5585	5581	5610	5590
Oct	5700	5682	5700	5695
Nov	5785	5772	0	0
Dec	5895	5882	5890	5870
Jan	5900	5891	5910	5910
Feb	5825	5806	5825	5825

COCOA 10 tonnes;$/tonnes

	Latest	Previous	High/Low	
May	966	972	976	965
Jul	1011	1013	1019	1008
Sep	1048	1050	1055	1047
Dec	1101	1103	1105	1100
Mar	1143	1144	1143	1143
May	1170	1169	1170	1170
Jul	1190	1192	0	0
Sep	1215	1219	1217	1215
Dec	1255	1254	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Latest	Previous	High/Low	
May	72.25	69.90	73.25	69.40
Jul	74.85	72.40	75.10	71.80
Sep	76.50	74.70	77.00	74.15
Dec	78.90	78.00	78.90	77.60
Mar	81.90	81.80	81.30	81.00
May	83.70	85.15	0	0
Jul	86.10	87.50	0	0
Sep	89.50	89.50	0	0

COTTON 50,000; cents/lbs

	Latest	Previous	High/Low	
May	60.20	59.40	60.40	59.60
Jul	61.74	60.67	62.00	61.25
Oct	62.30	61.65	62.40	62.05
Dec	62.50	62.03	62.65	62.30
Mar	63.60	63.30	63.80	63.31
May	64.25	63.85	63.90	63.80
Jul	64.10	64.13	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Latest	Previous	High/Low	
May	139.10	139.55	138.80	137.50
Jul	135.90	137.75	136.80	135.25
Sep	130.25	131.60	131.10	130.25
Nov	124.60	125.55	124.60	124.55
Jan	124.25	124.95	124.60	123.75
Mar	124.50	124.45	124.50	124.25
May	125.00	124.45	0	0
Jul	123.50	124.45	0	0
Sep	123.50	124.45	0	0

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Latest	Previous	High/Low	
May	577/6	575/4	577/6	573/4
Jul	586/0	584/4	586/2	581/4
Aug	590/6	588/6	590/6	585/4
Sep	594/0	592/4	594/4	589/4
Nov	601/2	600/6	603/0	596/0
Jan	609/0	610/0	612/0	604/4
Mar	617/4	619/0	620/0	613/0
May	624/4	626/0	626/4	622/0
Jul	628/0	630/4	0	0

SOYABEAN OIL 60,000 lbs; cents/lb

	Latest	Previous	High/Low	
May	19.66	19.57	19.78	19.57
Jul	19.87	19.87	20.07	19.87
Aug	20.14	20.04	20.08	20.04
Sep	20.26	20.20	20.35	20.20
Oct	20.43	20.30	20.50	20.36
Dec	20.73	20.60	20.80	20.64
Jan	20.88	20.75	20.95	20.80
Mar	21.15	21.00	21.20	21.10
May	21.40	21.20	21.40	21.30
Jul	21.30	21.30	0	0

SOYABEAN MEAL 100 tons; $/ton

	Latest	Previous	High/Low	
May	174.2	174.4	174.9	173.9
Jul	177.0	177.4	177.7	176.5
Aug	178.0	178.3	178.5	177.5
Sep	179.0	178.9	179.5	178.5
Oct	193.5	193.7	194.3	192.6
Dec	194.3	195.0	195.3	193.6
Jan	194.5	195.3	194.6	194.5
Mar	196.0	197.0	0	0

MAIZE 5,000 bu min; cents/56lb bushel

	Latest	Previous	High/Low	
May	260/2	259/2	260/2	259/0
Jul	265/2	264/2	265/2	264/0
Sep	261/4	260/6	261/6	260/4
Dec	259/4	258/6	259/6	258/6
Mar	266/2	266/0	266/6	266/2
May	270/4	270/0	271/2	270/2
Jul	273/6	273/2	0	0

WHEAT 5,000 bu min; cents/60lb-bushel

	Latest	Previous	High/Low	
May	366/0	362/6	366/4	364/0
Jul	353/6	354/4	356/4	352/4
Sep	358/4	357/4	358/4	357/4
Dec	367/0	366/4	368/4	365/6
Mar	369/0	368/4	369/4	369/4
May	360/0	357/0	0	0
Jul	338/0	338/2	339/4	338/0
Sep	343/0	343/0	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Latest	Previous	High/Low	
Apr	79.400	79.250	79.500	79.025
Jun	74.600	74.550	74.825	74.300
Aug	69.850	69.750	69.975	69.650
Oct	69.900	69.875	70.050	69.700
Dec	70.150	70.150	70.275	69.975
Feb	69.575	69.500	69.700	69.425
Apr	70.550	70.475	70.600	70.550

LIVE HOGS 40,000 lb; cents/lbs

	Latest	Previous	High/Low	
Apr	41.775	41.025	41.950	41.200
Jun	47.700	46.675	47.925	46.750
Jul	46.150	45.450	46.500	45.500
Aug	43.975	43.350	44.100	43.400
Oct	41.050	40.575	41.250	40.650

PORK BELLIES 40,000 lbs; cents/lb

	Latest	Previous	High/Low	
May	35.650	35.225	36.025	35.200
Jul	36.100	35.825	36.550	35.850
Aug	34.600	34.275	35.000	34.350

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Escudo enters the ERM

Portugal's decision to enter the ERM on Monday and frenzied activity in Finland enlivened an otherwise steady day on the foreign exchanges.

The announcement that the escudo would enter a six per cent fluctuation band at a central rate of 180 escudos to the D-Mark took the markets by surprise - traders said they had expected Portugal to wait until the end of the year.

Mr Norman Lamont, the British chancellor, said sterling's central rate against the other currencies in the ERM would not be affected by the escudo's entry but Mr Nigel Newman, senior economist at Barclays, warned that if the escudo rose strongly within the system it could pressure the lower limits of sterling in the long-run.

The dollar sank in late European trading as longed-for positive economic data failed to materialise.

Traders said US jobs data for March confirmed market suspicions that the US recovery was proving somewhat anaemic.

"The dollar needs a steady diet of good economic data as it just hasn't got the interest rate attractions enjoyed by the D-Mark," said Julian Callow, international economist at Chase Investment bank. The US unit closed in London at DM1.6265.

Sterling got off to a wobbly start, picked up a little during the day, only to sink below DM2.84 at the close.

Jitters began in the morning with rumours in the newspapers that some Middle East countries were dumping the UK currency and pushing sterling towards a crisis.

Mr David Coleman, Treasury adviser at the Canadian Imperial Bank of Commerce described the morning's activities as "crazy".

"People were selling sterling this morning on the basis of a newspaper story that said there was going to be a sterling crisis," he said. The pound ended the day at DM2.8350.

Turbulence hit the Finnish markets following the announcement by the Bank of Finland's governor, Mr Rolf Kullberg, that he would retire at the end of June.

Short term interest rates soared and currency flooded out of the country. One analyst reported rumours of a £10bn outflow of markkas. According to one dealer, nervousness intensified after newspaper reports that some academics were calling for a 25 per cent devaluation of the currency.

The appointment of Ms Sirkka Hamalainen as the new governor was judged to have come too late to stop the feverish trading, although it was expected to have a calming effect by Monday.

The markka ended the day less than half a per cent from its bottom limit against the Ecu.

£ IN NEW YORK

Apr 3	Latest	Previous Close
£ Spot	1.74302-1.7440	1.7305-1.7315
1 month	0.93-0.92pm	0.94-0.92pm
3 months	2.84-2.82pm	2.86-2.83pm
12 months	9.92-9.82pm	9.90-9.80pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		Apr 3	Previous
8.30	am	89.9	89.9
9.00	am	89.9	89.9
10.00	am	89.9	89.9
11.00	am	89.9	90.0
Noon		90.0	90.0
1.00	pm	90.0	90.0
2.00	pm	90.0	90.0
3.00	pm	90.0	90.0
4.00	pm	90.0	89.9

CURRENCY MOVEMENTS

Apr 3	Bank of England Index	Morgan** Guaranty Changes %
Sterling	90.0	-21.7
U.S. Dollar	64.7	-13.3
Canadian Dollar	100.8	-1.6
Austrian Schilling	110.2	+12.4
Belgian Franc	112.0	-1.7
Danish Krone	109.4	+3.2
D-Mark	119.3	+25.3
Swiss Franc	105.7	+13.8
Dutch Guilder	115.0	+16.5
French Franc	104.3	-12.2
Lira	98.3	-19.9
Yen	137.6	+70.9
Peseta	106.9	-18.8

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Apr.2

CURRENCY RATES

Apr 3	Bank & rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.792248	0.717646
U.S. Dollar	3.50	1.36609	1.24794
Canadian $	7.56	1.62947	1.48618
Austrian Sch	7.50	15.8972	14.3614
Belgian Franc	8.50	46.4641	41.9930
Danish Krone	9.50	8.76142	7.92255
D-Mark	8.00	2.25464	2.04060
Dutch Guilder	8.50	2.54065	2.29753
French Franc	10¼	7.64874	6.91304
Italian Lira	12	1702.99	1541.08
Japanese Yen	4.50	184.081	166.924
Norway Krone	-	8.86620	8.02113
Spanish Peseta	-	142.945	129.608
Swedish Krona	10.00	N/A	7.41530
Swiss Franc	7.00	2.06184	1.86428
Greek Drach	19	262.405	238.036
Irish Punt	-	N/A	0.767903

& Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Apr.2

OTHER CURRENCIES

Apr 3	£	$
Argentina	1.7245 - 1.7275	0.9905 - 0.9915
Australia	2.2665 - 2.2685	1.3040 - 1.3050
Brazil	3529.95 - 3532.30	2026.95 - 2027.15
Finland	7.7875 - 7.8175	4.5650 - 4.5750
Greece	328.150 - 335.400	188.910 - 191.930
Hong Kong	13.4400 - 13.4530	7.7390 - 7.7410
Iran	2495.00*	1430.00*
Korea(Sth)	1330.05 - 1351.45	770.40 - 779.60
Kuwait	0.51300 - 0.51400	0.29450 - 0.29500
Luxembourg	58.45 - 58.55	33.50 - 33.60
Malaysia	4.4675 - 4.4795	2.5745 - 2.5765
Mexico	5256.90 - 5268.65	3058.00 - 3059.00
N.Zealand	3.1720 - 3.1755	1.8250 - 1.8270
Saudi Ar.	6.4720 - 6.5485	3.7495 - 3.7505
Singapore	2.8725 - 2.8795	1.6570 - 1.6590
S.Af (Cm)	4.9890 - 4.9995	2.8770 - 2.8785
S.Af (Fn)	6.0245 - 6.1305	3.4660 - 3.5275
Taiwan	43.80 - 44.00	25.35 - 25.45
U.A.E.	6.3370 - 6.4140	3.6715 - 3.6735

*Floating rate. Iran Official rate £214.90 $67.00

FORWARD RATES AGAINST STERLING

	Spot	1 mth	3 mths	6 mths	12 mths
US Dollar	1.7435	1.7343	1.7151	1.6875	1.6435
D-mark	2.8350	2.8331	2.8279	2.8189	2.8005
French Fr	9.6100	9.5710	9.4275	9.1710	8.6620
Swiss Fr.	2.6025	2.5995	2.5905	2.5738	2.5377
Yen	232.50	231.39	230.15	225.41	219.07

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Apr 3	% Change from Central Rate	% Spread v. Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	129.608	-3.01	6.17	52
Belgian Franc	42.4032	41.9930	-0.97	3.98	38
Dutch Guilder	2.31643	2.29753	-0.82	3.82	31
D-Mark	2.05586	2.04060	-0.74	3.75	35
Irish Punt	0.767417	0.767903	0.06	2.91	-11
Italian Lira	1538.24	1541.08	0.18	2.79	-18
French Franc	6.89509	6.91304	0.26	2.71	-25
Danish Krone	7.84195	7.92255	1.03	1.93	-56
Sterling	0.696904	0.717646	2.98	0.00	-58

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Apr 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7350 - 1.7445	1.7430 - 1.7440	0.95-0.91cpm	6.33	2.86-2.83pm	6.53
Canada	2.0650 - 2.0770	2.0750 - 2.0760	0.65-0.58cpm	3.56	1.29-1.19pm	2.39
Netherlands	3.1875 - 3.2025	3.1875 - 3.1975	¼-¼cpm	0.94	1-¼pm	1.10
Belgium	58.35 - 58.55	58.45 - 58.55	6-2cpm	0.72	20-15pm	1.20
Denmark	11.0175 - 11.0475	11.0175 - 11.0275	½-¼orepm	0.54	2¾-1½pm	0.82
Ireland	1.0650 - 1.0730	1.0695 - 1.0705	0.01-0.03cdis	-0.22	0.03-0.10dis	-0.24
Germany	2.8325 - 2.8500	2.8325 - 2.8375	¼-¼pfpm	0.79	¾-⅝pm	1.06
Portugal	244.20 - 245.75	244.35 - 245.35	49-62cdis	-2.72	153-174dis	-2.67
Spain	180.30 - 180.70	180.35 - 180.65	25-32cdis	-1.89	64-76dis	-1.55
Italy	2137.25 - 2146.25	2140.50 - 2141.50	1-3liredis	-1.12	5-8dis	-1.21
Norway	11.1950 - 11.2350	11.2050 - 11.2150	1½-¼orepm	0.74	2-1½pm	0.58
France	9.5950 - 9.6325	9.6050 - 9.6150	½-¼cpm	0.47	2¾-1½pm	0.81
Sweden	10.3050 - 10.3675	10.3125 - 10.3225	¼-¾oredis	-0.65	½-1¾dis	-0.53
Japan	231.50 - 233.25	232.00 - 233.00	1¼-1ypm	5.48	2¾-2½pm	4.30
Austria	19.93 - 19.99	19.94 - 19.97	2¼-1½gropm	1.01	8¼-6½pm	1.45
Switzerland	2.5900 - 2.6100	2.5975 - 2.6075	½-¼cpm	1.15	1½-1pm	1.63
Ecu	1.3870 - 1.3950	1.3880 - 1.3890	0.12-0.06cpm	0.78	0.31-0.23pm	0.78

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.60-5.55pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Apr 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7380 - 1.7445	1.7430 - 1.7440	0.95-0.91cpm	6.33	2.86-2.83pm	6.53
Ireland†	1.6225 - 1.6310	1.6300 - 1.6310	0.88-0.85cpm	6.37	2.57-2.50pm	6.22
Canada	1.1900 - 1.1925	1.1910 - 1.1920	0.27-0.29cdis	-2.82	0.85-0.90dis	-2.94
Netherlands	1.8290 - 1.8500	1.8310 - 1.8320	0.82-0.85cdis	-5.47	2.49-2.52dis	-5.47
Belgium	33.50 - 33.80	33.50 - 33.60	14.00-16.00cdis	-5.37	44.00-47.00dis	-5.42
Denmark	6.3200 - 6.3825	6.3200 - 6.3250	3.10-3.40oredis	-6.17	9.10-9.70dis	-5.95
Germany	1.6240 - 1.6450	1.6260 - 1.6270	0.75-0.76pfdis	-5.57	2.26-2.28dis	-5.58
Portugal	140.40 - 141.40	140.40 - 140.50	101-107cdis	-8.89	323-333dis	-9.34
Spain	103.45 - 104.95	103.95 - 104.05	71-73cdis	-8.31	212-217dis	-8.25
Italy	1226.75 - 1238.00	1227.75 - 1228.25	7.80-8.30liredis	-7.87	23.70-24.70dis	-7.88
Norway	6.4150 - 6.4550	6.4275 - 6.4325	3.10-3.40oredis	-6.07	9.45-9.95dis	-6.03
France	5.5050 - 5.5625	5.5100 - 5.5150	2.68-2.73cdis	-5.89	8.05-8.15dis	-5.88
Sweden	5.6050 - 5.9800	5.9150 - 5.9200	3.68-3.93oredis	-7.72	11.25-11.70dis	-7.76
Japan	133.25 - 134.10	133.35 - 133.45	0.06-0.07ydis	-0.58	0.16-0.18dis	-0.51
Austria	11.5025 - 11.5625	11.5225 - 11.5275	4.80-5.20grodis	-5.21	14.50-15.70dis	-5.24
Switzerland	1.4890 - 1.5025	1.4915 - 1.4925	0.60-0.63cdis	-4.95	1.76-1.79dis	-4.76
Ecu	1.2425 - 1.2560	1.2545 - 1.2555	0.60-0.57cpm	5.59	1.83-1.79pm	5.77

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Apr 3	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10¼ - 9⅞	10⅛ - 10⅛	10⅞ - 10¾	11⅛ - 11	11¼ - 11⅛	11⅜ - 11¼
US Dollar	4⅛ - 4	4⅛ - 4⅛	4¼ - 4⅛	4⅜ - 4¼	4⅝ - 4½	5 - 4⅞
Can. Dollar	6⅞ - 6⅞	6⅞ - 6⅞	7 - 6⅞	7⅛ - 6⅞	7⅜ - 7¼	7⅞ - 7⅝
Dutch Guilder	9⅝ - 9⅜	9⅝ - 9⅜	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9½ - 9⅜
Swiss Franc	9 - 8¾	9 - 8¾	9⅛ - 8⅞	8⅞ - 8¾	8⅞ - 8¾	8⅞ - 8¾
D-Mark	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9¾	9⅞ - 9¾	9⅞ - 9¾
French Franc	9⅞ - 9⅞	9⅞ - 9⅝	10 - 9⅞	10⅛ - 9⅞	10⅛ - 9⅞	10⅛ - 9⅞
Italian Lira	12 - 10	12 - 11½	12¼ - 11⅞	12¼ - 11⅞	12¼ - 11⅞	12⅛ - 11⅞
Belgian Franc	9½ - 9¼	9½ - 9¼	9⅝ - 9⅜	9⅝ - 9⅜	9⅝ - 9⅜	9½ - 9⅜
Yen	4⅝ - 4⅜	4⅝ - 4⅜	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½	4⅝ - 4½
Danish Krone	10¼ - 10	10¼ - 10	10¼ - 10	10¼ - 10	10¼ - 10	10¼ - 10
Asian $Sing.	3 - 2⅞	3⅛ - 2⅞	3⅜ - 3¼	3½ - 3⅜	3⅝ - 3½	4 - 3⅞
Spanish Peseta	12¼ - 11⅞	12¼ - 11⅞	12⅝ - 12½	12⅝ - 12½	12⅝ - 12½	12⅝ - 12½

Long term Eurodollars: two years 5⅞-5⅞ per cent; three years 6⅝-6½ per cent; four years 7⅛-6⅞ per cent; five years 7⅜-7¼ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Apr.3	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Ecu
£	1	1.743	2.835	232.5	9.610	2.602	3.192	2141	2.075	58.50	1.388
$	0.574	1	1.627	133.4	5.513	1.493	1.831	1228	1.190	33.56	0.796
DM	0.353	0.615	1	82.01	3.390	0.918	1.126	755.2	0.732	20.63	0.490
YEN	4.301	7.497	12.19	1000.	41.33	11.19	13.73	9209	8.925	251.6	5.970
F Fr.	1.041	1.814	2.950	241.9	10.	2.708	3.322	2228	2.159	60.87	1.444
S Fr.	0.384	0.670	1.090	89.35	3.693	1	1.227	822.8	0.797	22.48	0.533
N Fl.	0.313	0.546	0.888	72.84	3.011	0.815	1	670.7	0.650	18.33	0.435
Lira	0.467	0.814	1.324	108.6	4.489	1.215	1.491	1000.	0.969	27.32	0.648
C $	0.482	0.840	1.366	112.0	4.631	1.254	1.538	1032	1	28.19	0.669
B Fr.	1.709	2.979	4.846	397.4	16.43	4.448	5.456	3660	3.547	100.	2.373
Ecu	0.720	1.256	2.043	167.5	6.924	1.875	2.300	1543	1.495	42.15	1

Yen per 1,000: French Fr. per 10; Lira per 1,000; Belgian Fr. per 100.

MONEY MARKETS

Rates stay firm

The torpor of the last few weeks returned to the UK money market yesterday following Wednesday's hectic activity.

The mood of uncertainty that has enveloped the market will continue, barring a decisive lead in tomorrow's opinion polls for either of the main parties, but dealers said prices had already gone a long way towards discounting a Labour majority or hung-parliament.

Rates remained firm, with the three-month interbank rate holding steady at just over 11 per cent.

The market is still discounting at least a half point rise in base rates after the election, but a decisive one or two point rise is considered more likely.

A substantial increase in base rates, should the markets decide to test a new Labour government, would enable the Labour party to demonstrate its commitment to the current value of sterling. The increase could be more easily reversed than a half-point rise which might not satisfy the sceptical markets.

With sterling hovering just below DM2.84, it is still about 7 pfennigs above its DM2.7780 floor in the EMS. With funds still available to the UK, both from the Bank of England and other European banks, some analysts suggest a rise in base rates could be avoided through support of the UK currency.

Rates at the long end also firmed. The one year rate rose to 11 11/16-¼ from 11 11/16.

June short sterling opened down one basis point at 88.70 and hovered just above before closing at 88.71.

The Bank of England supplied liquidity where necessary but the market seemed surprisingly loath to sell out the shortage. The Bank's initial forecast liquidity shortage was £950m which it later revised to £1bn. It provided early assistance with the purchase of £370m band-2 bank bills at 10-¾ per cent.

Later in the morning the Bank provided a further £51m of assistance buying £25m of band-1 bank bills and £26m of band-2 bank bills, at the same rate. It continued to operate in the afternoon buying £90m band-2 bank bills, after revising the forecast liquidity shortage to £800m. Late assistance of £40m took total official intervention operations for the day to £551m, leaving the market seemingly around £250m under-relieved.

The overnight rate, in the thinly-traded closing minutes dropped to 10¼-⅛.

UK clearing bank base lending rate
10.5 per cent
from September 4, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. Apr.3)	3 months US dollars		6 months US Dollars	
	bid 4⅜	offer 4½	bid 4⅝	offer 4¾

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Lunchtime		Treasury Bills and Bonds			
Prime rate	6½	One month	3.82	Three year	5.95
Broker loan rate	6	Two month	4.02	Five year	6.78
Fed.funds	4⅛	Three month	4.06	Seven year	7.13
Fed.funds at intervention	-	Six month	4.28	10-year	7.42
		One year	4.43	30-year	7.89
		Two year	5.43		

Apr.3	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.60-9.70	9.65-9.75	9.65-9.75	9.65-9.75	9.65-9.75	9.75
Paris	9⅝-9⅞	9⅞-10⅛	9⅞-10⅛	10-10⅛	10-10⅛	9.60
Zurich	7¾-8¼	8⅝-8¾	-	8⅝-8¾	-	-
Amsterdam	9⅞-9⅞	9⅞-9⅞	-	9⅞-9⅞	-	-
Tokyo	4⅝-4⅞	4⅝-4¾	-	4⅝-4¾	-	-
Milan	12-12¼	12⅛-12⅜	-	12⅛-12⅜	-	-
Brussels	9¼-9⅜	9⅜-9⅝	-	9⅜-9⅝	-	-
Dublin	10¼-10½	10⅜-10⅝	10⅜-10⅝	10⅜-10⅝	10⅜-10⅝	-

LONDON MONEY RATES

Apr 3	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	12	10⅝	10 11/16	11⅛	11¼	11⅜
Interbank Bid	9	10½	10 9/16	11	11⅛	11¼
Sterling CDs	-	-	10⅝	11	11⅛	11⅜
Local Authority Deps.	10	10⅛	10¾	11⅛	11¼	11⅜
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	10⅛	9⅞	-	-	-	-
Company Deposits	-	-	11⅛	11¼	11¼	11⅜
Finance House Deposits	-	-	11⅛	11¼	11⅜	11⅜
Treasury Bills (Buy)	-	-	10 7/16	10⅝	10⅝	-
Bank Bills (Buy)	-	-	10⅝	10 11/16	10 11/16	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs.	-	-	4.20	4.20	4.40	4.80
SDR Linked Dep. Offer	-	-	6⅞	6 11/16	6⅞	7⅛
SDR Linked Dep. Bid	-	-	6½	6⅝	6⅝	6⅞
ECU Linked Dep. Offer	-	-	9 15/16	10⅛	10¼	10¼
ECU Linked Dep. Bid	-	-	9 11/16	9⅞	10	10

Treasury Bills (sell); one-month 10⅜ per cent; three months 10⅜ per cent; six months 10⅜ per cent; Bank Bills (sell), one-month 10½ per cent; three months 10½ per cent; Treasury Bills: Average tender rate of discount 10.5407 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day March 31, 1992. Agreed rates for period Apr 26, 1992 to May 25, 1992, Scheme I: 11.77 p.c., Schemes II & III: 11.84 p.c. Reference rate for period Feb 29, 1992 to March 31, 1992, Scheme IV&V: 10.643 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from April 1, 1992. Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5, 1991. Deposits withdrawn for cash 5 per cent.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
90	3-50	4-29	0-20	0-38
91	2-61	3-38	0-31	0-52
92	2-13	2-57	0-47	1-07
93	1-36	2-17	1-06	1-31
94	1-03	1-47	1-37	1-61
95	0-45	1-20	2-13	2-34
96	0-26	0-62	2-60	3-12
97	0-15	0-45	3-49	3-59

Estimated volume total, Calls 2771 Puts 5576
Previous day's open int. Calls 66745 Puts 62674

LIFFE US TREASURY BOND FUTURES OPTIONS
$100,000 64ths of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
96	3-56	3-46	0-16	1-06
97	3-02	3-05	0-26	1-29
98	2-16	2-32	0-40	1-56
99	1-37	2-00	0-61	2-24
100	1-02	1-37	1-26	2-61
101	0-40	1-14	2-00	3-38
102	0-23	0-60	2-47	4-20
103	0-14	0-45	3-38	5-05

Estimated volume total, Calls 530 Puts 256
Previous day's open int. Calls 1550 Puts 1052

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
8550	1.90	2.53	0.06	0.18
8600	1.45	2.11	0.11	0.26
8650	1.04	1.72	0.20	0.37
8700	0.70	1.36	0.36	0.51
8750	0.44	1.05	0.60	0.70
8800	0.25	0.80	0.91	0.95
8850	0.14	0.60	1.30	1.25
8900	0.08	0.44	1.74	1.59

Estimated volume total, Calls 7141 Puts 4435
Previous day's open int. Calls 141386 Puts 71518

LIFFE EUROMARK OPTIONS
DM1m points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
8950	0.86	1.09	0	0.01
8975	0.62	0.86	0.01	0.03
9000	0.39	0.64	0.03	0.06
9025	0.20	0.45	0.09	0.12
9050	0.09	0.29	0.23	0.21
9075	0.03	0.17	0.42	0.34
9100	0.01	0.10	0.65	0.52
9125	0	0.05	0.89	0.72

Estimated volume total, Calls 1580 Puts 625
Previous day's open int. Calls 79028 Puts 44655

LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS Lira 200m 100ths of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
9650	1.95	2.26	0.14	0.37
9700	1.51	1.90	0.20	0.51
9750	1.14	1.56	0.33	0.67
9800	0.83	1.27	0.52	0.88
9850	0.57	1.02	0.76	1.13
9900	0.37	0.81	1.06	1.42
9950	0.25	0.63	1.44	1.74
10000	0.15	0.48	1.84	2.09

Estimated volume total, Calls 726 Puts 107
Previous day's open int. Calls 10287 Puts 9924

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
8775	1.07	1.45	0.11	0.14
8800	0.87	1.23	0.16	0.19
8825	0.68	1.04	0.22	0.25
8850	0.52	0.86	0.31	0.32
8875	0.38	0.70	0.42	0.41
8900	0.27	0.56	0.56	0.52
8925	0.18	0.44	0.72	0.65
8950	0.11	0.33	0.90	0.79

Estimated volume total, Calls 10093 Puts 4483
Previous day's open int. Calls 86348 Puts 58921

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT *
£50,000 32nds of 100%

	Close	High	Low	Prev
Jun	93-15	93-25	93-12	93-16
Sep	93-25			93-26

Estimated volume 20025 (23019)
Previous day's open int. 55723 (55155)

US TREASURY BONDS 8% *
$100,000 32nds of 100%

	Close	High	Low	Prev.
Jun	99-20	99-26	99-10	99-06
Sep	98-20			98-06

Estimated volume 1334 (1672)
Previous day's open int. 3204 (3615)

6% NOTIONAL GERMAN GOVT. BOND *
DM250,000 100ths of 100%

	Close	High	Low	Prev
Jun	87.34	87.38	87.13	87.21
Sep	87.85	87.84	87.65	87.73

Estimated volume 48631 (52135)
Previous day's open int. 121092 (118051)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low
Jun	100.85	101.17	100.80
Sep	100.61	100.82	100.75

Estimated volume 1578 (1135)
Traded exclusively on APT

9% NOTIONAL ECU BOND
ECU 200,000 100ths of 100%

	Close	High	Low	Prev
Jun	100.81	100.66	100.66	100.70
N				
A				

Estimated volume 28 (10)
Previous day's open int. 89 (99)

12% NOTIONAL ITALIAN GOVT. BOND (BTP) *
LIRA 200m 100ths of 100%

	Close	High	Low	Prev
Jun	98.31	98.52	97.90	97.99
Sep	98.39	98.38	98.09	98.13

Estimated volume 13153 (11040)
Previous day's open int. 40098 (40615)

THREE MONTH STERLING *
£500,000 points of 100%

	Close	High	Low	Prev
Jun	88.71	88.77	88.60	88.73
Sep	89.04	89.07	88.95	89.00
Dec	89.31	89.34	89.29	89.27
Mar	89.59	89.61	89.56	89.55
Jun	89.85	89.85	89.80	89.80
Sep	90.00	90.01	89.97	89.99

Est. Vol (inc. figs. not shown) 39020 (39225)
Previous day's open int. 200917 (195758)

THREE MONTH EURODOLLAR *
$1m points of 100%

	Close	High	Low	Prev.
Jun	95.60	95.60	95.52	95.51
Sep	95.28	95.27	95.17	95.13
Dec	94.58	94.58	94.45	94.40
Mar	94.31	94.27	94.18	94.12

Est. Vol. (inc. figs. not shown) 3377 (3010)
Previous day's open int. 34980 (35175)

THREE MONTH EUROMARK *
DM 1m points of 100%

	Close	High	Low	Prev.
Jun	90.36	90.36	90.33	90.34
Sep	90.58	90.59	90.54	90.57
Dec	90.79	90.80	90.77	90.79
Mar	91.11	91.11	91.09	91.11
Jun	91.33	91.35	91.30	91.35
Sep	91.53	91.55	91.51	91.56

Estimated volume 26555 (29408)
Previous day's open int. 221994 (226669)

THREE MONTH ECU
ECU 1m points of 100%

	Close	High	Low	Prev
Jun	89.84	89.85	89.82	89.83
Sep	90.13	90.15	90.12	90.12
Dec	90.33	90.29	90.29	90.29
Mar	90.55	90.53	90.53	90.52

Estimated volume 720 (1498)
Previous day's open int. 9048 (9072)

THREE MONTH EURO SWISS FRANC
SFR 1m points of 100%

	Close	High	Low	Prev.
Jun	91.53	91.56	91.46	91.58
Sep	91.94	92.05	91.90	92.05
Dec	92.22	92.33	92.21	92.35
Mar	92.46	92.59	92.45	92.58

Estimated volume 9384 (5276)
Previous day's open int. 41775 (40702)

FT-SE 100 INDEX *
£25 per full index point

	Close	High	Low	Prev.
Jun	2413.0	2426.0	2406.0	2427.0
Sep	2449.0			2463.0
Dec	2479.0			2493.0

Estimated volume 6521 (7939)
Previous day's open int. 35399 (35814)

FT-SE EUROTRACK 100 INDEX
DM50 per full index point

	Close	High	Low	Prev
Jun	1162.0			1165.0
N				
A				

Estimated volume 0 (0)
Previous day's open int. 18 (18)

* Contracts traded on APT. Closing prices shown

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev
Jun	99-18	99-27	99-10	99-07
Sep	98-17	98-25	98-09	98-06
Dec	97-18	97-22	97-13	97-07
Mar	96-21	96-26	96-21	96-11
Jun	95-25	95-25	95-25	95-18
Sep	94-26	-	-	94-26
Dec	94-05	-	-	94-05
Mar	93-18	-	-	93-18
Jun	93-01	-	-	93-01
Sep	92-17	-	-	92-17

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Jun	95.97	95.98	95.93	95.90
Sep	95.74	95.74	95.66	95.61
Dec	95.22	95.22	95.18	95.06
Mar	94.95	94.95	94.86	94.85

BRITISH POUND (IMM)
$s per £

	Latest	High	Low	Prev.
Jun	1.7206	1.7220	1.7130	1.7076
Sep	1.6930	1.6930	1.6870	1.6802
Dec	1.6690	1.6690	-	1.6556

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev
Jun	0.6640	0.6670	0.6610	0.6592
Sep	0.6570	0.6600	0.6545	0.6529
Dec	0.6520	0.6550	-	0.6483

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev
Jun	0.7477	0.7490	0.7458	0.7467
Sep	0.7473	0.7473	0.7460	0.7465
Dec	0.7471	0.7471	0.7470	0.7470
Mar	0.7484	-	-	0.7484

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev
Jun	0.6070	0.6075	0.6039	0.6014
Sep	0.5997	0.5997	0.5967	0.5936
Dec	0.5900	0.5900	-	0.5869
Mar	0.5817	-	-	0.5817
Jun	0.5740	-	-	0.5740

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Jun	95.58	95.60	95.53	95.49
Sep	95.25	95.27	95.18	95.12
Dec	94.56	94.56	94.45	94.39
Mar	94.28	94.28	94.18	94.12
Jun	93.76	93.76	93.65	93.60
Sep	93.27	93.27	93.16	93.11
Dec	92.68	92.69	92.60	92.55
Mar	92.59	92.63	92.53	92.48

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Jun	399.70	400.40	399.70	399.60
Sep	401.20	402.70	401.20	401.00
Dec	403.20	403.35	-	402.85
Mar	405.30	405.45	-	404.95

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Apr	Calls May	Calls Jun	Calls Sep	Puts Apr	Puts May	Puts Jun	Puts Sep
1.675	6.00	6.20	6.44	7.06	0.04	1.06	2.02	4.82
1.700	3.59	4.28	4.66	5.52	0.23	1.83	2.93	6.10
1.725	1.72	2.75	3.28	4.28	0.83	2.80	4.18	7.57
1.750	0.60	1.77	2.27	3.27	2.22	4.38	5.73	9.16
1.775	0.11	1.03	1.54	2.50	4.21	6.17	7.49	10.93
1.800	-	0.56	0.97	1.90	6.56	8.15	9.40	12.83
1.825	-	0.26	0.58	1.40	8.90	10.36	11.91	14.85

Previous day's open int. Calls N/A Puts N/A (All currencies)
Previous day's volume: Calls N/A Puts N/A (All currencies)

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open int.
June	107.30	107.56	+0.28	107.58	107.22	8.86	139,169
September	107.50	107.74	+0.26	107.68	107.46	8.83	5,700
December	107.66	107.90	+0.26	107.68	107.66	8.81	1,762

Estimated volume 86,327 Total Open Interest 146,831

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

	Open	Sett price	Change	High	Low	Yield	Open int.
June	90.12	90.19	+0.10	90.20	90.08	9.91	22,966
September	90.31	90.39	+0.09	90.41	90.29	9.70	17,692
December	90.54	90.62	+0.09	90.63	90.53	9.47	7,174
March	90.80	90.84	+0.07	90.84	90.78	9.23	1,948

Estimated volume 31,615 Total Open Interest 52,181

CAC-40 FUTURES (MATIF) Stock index

	Open	Sett price	Change	High	Low	Yield	Open int.
April	1952.0	1957.0	-1.0	1963.0	1945.0	-	17,143
May	1966.0	1971.0	-1.0	1971.5	1965.0	-	913
June	1959.0	1963.0	-1.0	1966.5	1957.0	-	7,789

Estimated volume 6,438 Total Open Interest 26,145

ECU BOND (MATIF)

	Open	Sett price	Change	High	Low	Yield	Open int.
June	106.28	106.36	+0.06	106.44	106.16	9.00	16,206
September	-	106.38	+0.06	-	-	9.00	47

Estimated volume 4,609 Total Open Interest 16,253

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls June	Calls September	Calls December	Puts June	Puts September	Puts December
105	-	-	-	0.07	0.32	-
106	-	-	-	0.18	-	-
107	0.95	-	-	0.43	0.85	1.17
108	0.44	1.03	1.41	0.90	1.30	-
109	0.17	0.64	-	1.61	-	-
110	0.06	0.38	-	-	-	-
111	0.02	0.20	-	-	-	-
Open int.	134,129	33,594	4,950	96,543	16,470	1,650

Estimated volume 16,344 Total Open Interest 207,336

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth
1.7435	1.7343	1.7151	1.6875	1.6435

BANK RETURN

BANKING DEPARTMENT	Wednesday April 1 1992		Increase or decrease for week
	£		£
LIABILITIES			
Capital	14,553,000		
Public Deposits	104,972,897	-	3,099,371
Bankers Deposits	1,619,579,717	+	74,584,023
Reserve and other Accounts	3,906,898,180	+	387,603,356
	5,646,004,794	+	459,088,007
ASSETS			
Government Securities	1,306,498,175	-	11,325,000
Advance and other Accounts	2,468,772,656	+	299,868,232
Premises Equipment & other Secs	1,858,911,115	+	164,664,281
Notes	11,832,032	+	5,880,139
Coin	192,816	+	2,356
	5,646,004,794	+	459,088,007
ISSUE DEPARTMENT			
LIABILITIES			
Notes in circulation	15,618,267,968	+	84,119,861
Notes in Banking Department	11,832,032	+	5,880,139
	15,630,000,000	+	90,000,000
ASSETS			
Government Debt	11,015,100		
Other Government Securities	11,308,583,605	+	1,266,487,306
Other Securities	4,310,401,295	-	1,176,487,306
	15,630,000,000	+	90,000,000

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Duncan Lawrie	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Equatorial Bank plc	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Exeter Bank Limited	11	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Financial & Gen. Bank	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	First National Bank Plc	14	Provincial Bank PLC	14
Bank of Cyprus	10.5	● Robert Fleming & Co.	10.5	Roxburghe Bank Ltd	11.5
Bank of Ireland	10.5	Robert Fraser & Ptnrs.	11	Royal Bk of Scotland	10.5
Bank of India	10.5	Girobank	10.5	● Smith & Williamson Secs.	10.5
Bank of Scotland	10.5	● Guinness Mahon	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Hambros Bank	10.5	TSB	10.5
Barclays Bank	10.5	Hampshire Trust Plc	13.5	Unibank plc	10.5
Benchmark Bank	11	Heritable & Gen Inv Bnk	10.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	● Hill Samuel	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	C. Hoare & Co.	10.5	Western Trust	10.5
CL Bank Nederland	10.5	Hongkong & Shanghai	10.5	Westpac Bank Corp	10.5
Citibank NA	10.5	Julian Hodge Bank	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	● Leopold Joseph & Sons	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	Lloyds Bank	10.5		
Co-operative Bank	10.5	Meghraj Bank Ltd	10.5		
Coutts & Co	10.5				

● Members of British Merchant Banking & Securities Houses Association

MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd 48 Pembury Road, Tonbridge TN9 2JD			0732 770114	
Cafcash Deposit Fund	9.88	-	10.25	3 Mth
Deposits Over £1 million	9.98	-	10.36	3 Mth
Deposits Over £2 million	10.08	-	10.47	3 Mth
The COIF Charities Deposit Account 2 Fore Street, London EC2Y 5AQ			071-588 1815	
Deposit	10.05	-	10.44	3-Mth
Cent. Bd. of Fin. of Church of England 2 Fore Street, London EC2Y 5AQ			071-588 1815	
Deposit	10.10	-	10.49	3-Mth
Gartmore Money Management Ltd 16-18 Monument St, London EC3R 8QQ			071-236 1425	
TESSA Desk			071 236 9362	
Call Fnd	9.73	7.29	9.96	6-Mth
7-day Fund	9.58	7.18	9.80	6-Mth
Special Fund	9.49	7.11	9.91	1-Mth
Dollar	2.88	2.16	2.91	3-Mth
TESSA Prime	9.76	-	10.12	3-Mth
TESSA Plus	9.57	-	9.92	3-Mth
TESSA Saver.	9.33	-	9.66	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
AIB Bank High Interest Cheque Account Belmont Rd, Uxbridge UB8 1SA			0800 282115	
£2,500-£9,999	8.50	6.38	8.77	Qtr
£10,000+	9.25	6.94	9.57	Qtr
Aitken Hume Bank plc 30 City Road, EC1Y 2AY			071-638 6070	
Treasury Acc.	9.00	6.75	9.31	Qtr
Mth Int Chq £1,000-£4,999	9.00	6.75	9.38	Mth
Mth Int Chq £5,000-£49,999	9.50	7.125	9.92	Mth
Mth Int Chq £50,000+	10.00	7.50	10.47	Mth
Allied Trust Bank Ltd 97-101 Cannon St, London, EC4N 5AD			071-626 0879	
TOMNA (£2,001+)	11.46	8.60	11.46	Yearly
OMNA (£2,001+)	11.02	8.27	11.02	Yearly
HICA (£2,001+)	9.00	6.75	9.38	Mth
Premier TESSA	13.24	9.93	13.24	Yearly
American Express Bank Ltd Sussex House, Burgess Hill, West Sussex, RH15 9AW 0444 230230				
High Performance Cheque Account				
Cardmembers				
£500-£999	3.50	2.63	3.56	Mth
£1,000-£4,999	8.50	6.38	8.84	Mth
£5,000-£9,999	8.70	6.53	9.06	Mth
£10,000-£24,999	9.10	6.83	9.49	Mth
£25,000-£49,999	9.30	6.98	9.71	Mth
£50,000-£99,999	9.50	7.13	9.92	Mth
£100,000+	9.70	7.28	10.14	Mth
Non-Cardmembers				
£500-£999	3.25	2.44	3.30	Mth
£1,000-£4,999	8.25	6.19	8.57	Mth
£5,000-£9,999	8.45	6.34	8.79	Mth
£10,000-£24,999	8.85	6.64	9.22	Mth
£25,000-£49,999	9.05	6.79	9.43	Mth
£50,000-£99,999	9.25	6.94	9.65	Mth
£100,000+	9.45	7.09	9.87	Mth
Bank of Ireland High Interest Cheque Acc 36-40 High St, Slough SL1 1EL			0753 516516	
£10,000+	8.75	6.563	9.041	Qtr
£2,000-£9,999	8.50	6.375	8.775	Qtr
Bank of Scotland 38 Threadneedle St, EC2P 2EH			071-601 6446	
MM Chq Acc £2,500-£24,999	8.23	6.17	8.55	Mth
£25,000+	9.11	6.83	9.50	Mth
Barclays Select PO Box 120, Westwood Bs Pk, Coventry			0800 400100	
£2,000-£9,999	8.00	6.00	8.00	-
£10,000-£24,999	9.25	6.94	9.25	-
£25,000-£49,999	9.75	7.31	9.75	-
£50,000+	10.50	7.88	10.50	-
Barclays Prime Account H.I.C.A. PO Box 125, Northampton			0604 252891	
£1,000-£2,499	[illegible]	5.25	7.19	Qtr
£2,500-£9,999	7.70	5.78	7.93	Qtr
£10,000-£24,999	8.40	[illegible]	8.67	Qtr
£25,000+	8.75	6.56	9.04	Qtr
Benchmark Bank PLC Premier Account 86 Newman Street, W1P 3LD			071-631 3313	
£2,500-£10,000	9.00	6.75	9.31	Qtr
£10,001-£20,000	9.25	6.9375	9.58	Qtr
£20,000+	10.00	7.50	10.38	Qtr
Brown Shipley & Co Ltd Founders Court, Lothbury, London EC2			071-606 9833	
HICA	9.125	6.85	9.34	Qtr
Prof Demand A/c	9.00	6.75	9.23	Qtr
Caledonian Bank Plc 8 St Andrew Square, Edinburgh EH2 2PP			031 556 8235	
HICA	10.00	7.50	-	Yearly
Cater Allen Ltd 25 Birchin Lane, London EC3V 9DJ			071-623 2070	
HICA	9.00	6.75	9.3807	Mth
Consort £5,000 min	9.50	7.125	9.9248	Mth
TESSA	10.25	-	10.7468	Mth
Charterhouse Bank Limited 1 Paternoster Row, EC4M 7DH			071-248 4000	
£2,500-£19,999	9.25	6.94	9.65	Mth
£20,000-£49,999	9.50	7.13	9.92	Mth
£50,000-£99,999	9.75	7.31	10.20	Mth
£100,000+	10.00	7.50	10.47	Mth
$5,000-$49,999	2.50	1.88	2.53	Mth
$50,000-$99,999	3.00	2.25	3.04	Mth
$100,000-$199,999	3.25	2.44	3.30	Mth
$200,000+	3.50	2.63	3.56	Mth
Many other currencies are available - for rates phone ext 2168				
Clydesdale Bank PLC 30 St Vincent Place, Glasgow G1 2HL			041 248 7070	
£2,000-£24,999	8.00	6.00	8.24	Qtr
£25,000-£99,999	8.75	6.56	9.04	Qtr
£100,000+	9.25	6.94	9.58	Qtr
Co-operative Bank PO Box 300 Skelmersdale, Lancs			0800 616162	
TESSA				
TESSA	11.50	-	-	Yearly
Investment 91 - 99 Day Notice Account				
£50,000+	10.75	8.10	11.0	6-Mth
£25,000-£49,999	10.50	7.90	10.8	6-Mth
£10,000-£24,999	9.50	7.10	9.7	6-Mth
£5,000-£9,999	8.25	6.20	8.4	6-Mth
Pathfinder - Card Based Current Account				
All Balances	10.00	7.50	10.50	Mth
Top Tier - Instant Access Savings				
£50,000+	9.50	7.10	9.7	6-Mth
£10,000-£49,999	9.00	6.75	9.2	6-Mth
£5,000-£9,999	7.75	5.80	7.90	6-Mth
£1,000-£4,999	7.25	5.40	7.40	6-Mth
£1-£999	3.50	2.60	3.50	6-Mth
Ultra Interest Bearing Current Account				
£20,000+	6.00	4.50	6.20	Mth
£5,000-£19,999	5.00	3.75	5.10	Mth
£500-£4,999	2.50	1.90	2.50	Mth
£1-£499	2.00	1.50	2.00	Mth
Coutts & Co Reserve Account 440 Strand, London WC2R 0QS			071-753 1000	
For personal customers				
£50,000+	8.750	6.56	9.04	Qtr
£20,000-£49,999	8.250	6.19	8.51	Qtr
£5,000-£19,999	7.750	5.81	7.98	Qtr
For businesses, charities and societies				
£100,000-£1,000,000	8.50	6.40	8.78	Qtr
£25,000-£99,999	8.25	6.19	8.51	Qtr
£10,000-£24,999	7.625	5.72	7.85	Qtr
Coutts Composite Account for clients money 27 Bush Lane, London EC4R 0AA			071-623 3434	
Rates applicable up to	9.625	-	-	-
Dartington & Co Ltd Investment HICA 70 Prince St, Bristol BS1 4QD			0272 213206	
£50,000-£1m	9.50	7.13	9.84	Qtr
£25,000-£49,999	9.25	6.94	9.58	Qtr
£5,000-£24,999	9.00	6.75	9.31	Qtr
Financial & General Bank plc 13 Lowndes Street, London SW1X 9EX			071-235 0036	
H.I.D.A. £50,000	10.85	8.137	11.12	6-Mth
H.I.D.A. £25,000-£50,000	10.50	7.875	10.77	6-Mth
Gartmore Money Management Ltd 16-18 Monument St, London EC3R 8QQ			071-236 1425	
HICA £10,000+	8.75	6.56	9.04	3-Mth
Halifax Bldg Soc Asset Reserve Cheque Acc Trinity Road, Halifax HX1 2RG			0422 335333	
£5,000-£9,999	8.70	6.53	8.99	Qtr
£10,000-£24,999	9.50	7.13	9.84	Qtr
£25,000-£49,999	10.00	7.50	10.38	Qtr
£50,000 and above	10.60	7.95	11.03	Qtr
Julian Hodge Bank Ltd 10 Windsor Place, Cardiff CF1 3BX			0222 220800	
6 Mth Fixed Rate Dep Acc	10.75	8.06	-	-
Extra High Interest Deposit Account				
£50,000+	10.75	8.06	11.19	Qtr
£10,000+	10.50	7.88	10.92	Qtr
£5,000+	10.00	7.50	10.38	Qtr
Humberclyde Finance Group Charter Ct, Winchester Rd, Basingstoke			0256 841863	
£50,000+	10.50	7.88	10.92	Qtr
Kleinwort Benson Ltd 158 Kensington Town Rd, London SW5 2BT			071 267 1586	
H.I.C.A. (£2,500+)	9.125	6.84	9.525	Daily
Lloyds Bank - Investment Account 71 Lombard St, London EC3P 3BS			0272 433372	
£50,000 and above	9.90	7.30	9.40	Yearly
£25,000+	9.50	7.13	9.50	Yearly
£10,000+	9.30	6.98	9.30	Yearly
£5,000+	7.90	5.93	7.90	Yearly
Midland Bank plc PO Box 2, Sheffield			0742 529394	
Exchequer Acc £5000+	8.82	6.62	9.00	6-Mth
£10,000+	9.06	6.80	9.25	6-Mth
£25,000+	9.54	7.16	9.75	6-Mth
£50,000+	10.26	7.70	10.50	6-Mth
TESSA	10.00	-	10.00	Yearly
NatWest Crown Reserve Account 41 Lothbury, London EC2P 2BP			071-374 3374	
£25,000 and above	9.75	7.31	10.11	3-Mth
£10,000 to £24,999	9.50	7.13	9.86	3-Mth
£2,000-£9,999	9.125	6.84	9.44	3-Mth
Provincial Bank PLC 30 Ashley Rd, Altrincham, Cheshire			061-928 9011	
H.I.C.A. (£1,000+)	8.75	6.56	9.11	Mth
Royal Bank of Scotland plc Premium Acc 42 St Andrew Sq, Edinburgh EH2 2YE			031-228 5650	
£50,000+	9.20	6.90	9.52	Qtr
£25,000-£49,999	8.70	6.52	8.99	Qtr
£10,000-£24,999	8.25	6.19	8.51	Qtr
£2,500-£9,999	7.50	5.63	7.71	Qtr
Save & Prosper/Robert Fleming 16-22 Western Rd, Romford RM1 3LB			0800 282101	
Demand £2,000+ Dep Acc	8.75	6.56	9.14	Daily
TESSA Fixed 1 Year	8.88	-	9.25	Mth
TESSA Variable	9.80	-	10.25	Mth
Sterling Bank & Trust Ltd Abbey Gdns, 6 Abbey St, Reading RG1 3BA			0734 592543	
HIDA £2,500+	10.50	7.88	10.78	6-Mth
Tyndall & Co Ltd 29-33 Princess Victoria St, Bristol			0272 744720	
Demand Acc	09.00	6.75	09.30	Qtr
HIMA	09.00	6.75	09.30	Qtr
HIMA £100,000+	09.25	6.94	09.58	Qtr
Master Plus	09.00	6.75	09.30	Qtr
TESSA	09.88	-	10.25	Qtr
United Dominions Trust Ltd PO Box 135, Abbey St, Reading RG1 3EB			0734 560411	
Cashbuilder Plus Cheque Account				
£1,000+	9.90	7.43	10.27	Qtr
J. Henry Schroder Wagg & Co Ltd 120 Cheapside, London EC2V 6DS			071-382 6000	
Special Acc	9.00	6.75	9.28	Mth
£10,000 and above	9.2500	6.90	9.55	Mth
Western Trust High Interest Cheque Acc The Moneycentre, Plymouth PL1 1SE			0752 224141	
£15,000+	10.00	7.50	10.38	Qtr
£5,000-£14,999	9.75	7.31	10.11	Qtr
£1,000-£4,999	9.50	7.13	9.84	Qtr
Wimbledon & South West Finance PLC 114 Newgate St, London EC1 7AE			071-606 9485	
High Int Cheque Acc	10.60	7.95	11.03	Qtr

NOTES- Gross: Contractual rate of interest payable not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 535(2) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ⊕ Bargains done the previous day.

British Funds, etc
No. of bargains included 1875

Exchequer 10½% Stk 2005 – £105⅝ (30Mr92)
Guaranteed Export Finance Corp PLC 12¾% Gtd Ln Stk 2002(Reg) – £114

Corporation and County Stocks No. of bargains included 1

London County 2½% Cons Stk 1920(or after) – £22 (27Mr92)
Birmingham Corp 2½% Stk 1926(or after) – £20½ (1Ap92)
3½% Stk 1946(or after) – £29 (1Ap92)
Birmingham District Council 11½% Red Stk 2012 – £104 (30Mr92)
Bristol(City of) 11½% Red Stk 2008 – £102½ (30Mr92)
Leeds(City of) 13½% Red Stk 2006 – £116 (31Mr92)
Newcastle-Upon-Tyne(City of) 11¼% Red Stk 2017 – £102 (31Mr92)
Sunderland(Borough of) 11½% Red Stk 2008 – £104¾ (30Mr92)

UK Public Boards
No. of bargains included 4

Agricultural Mortgage Corp PLC 6½% Deb Stk 93/95 – £84½
6¼% Deb Stk 92/94 – £89
7¼% Deb Stk 91/93 – £94
10½% Deb Stk 92/95 – £97¾ (30Mr92)
Metropolitan Water Metropolitan Water 3% A Stk 63/2003 – £55 (27Mr92)
Port of London Authority 3% Port of London A Stk 29/99 – £85 (31Mr92)
3½% Stk 49/99 – £63 (31Mr92)
Scottish Agric Sec Corp 7½% Deb Stk 90/92 – £97¾ (27Mr92)
14% Deb Stk 1993 – £108¾ (27Mr92)

Foreign Stocks, Bonds, etc–(coupons payable in London) No. of bargains included 77

Abbey National Sterling Capital PLC 10⅛% Subord Gtd Bds 2002 (Br £ Var) – £96¼⊕ ⅝⊕ ¾⊕
11½% Subord Gtd Bds 2017 – £102 (27Mr92)
Abbey National Treasury Servs PLC 13⅛% GtdNts1995(Br£1000,10000&100000) – £105⅝ 6 (30Mr92)
Allied-Lyons PLC 10⅝% Bds 1999(Br£5000&100000) – £98 ½ (27Mr92)
Argyll Group PLC 4¼% Cnv Bds 2002 – £119¼ (1Ap92)
Associated Newspapers Holdings Ld 6% Exchangeable Bds 2002 – £101 (27Mr92)
Banque Nationale De Paris 10% Nts 1994 – £98 ¾ (30Mr92)
Barclays Bank PLC 10¼% Senior Subord Bds 1997 – £98½ (1Ap92)
12½% Senior Subord Bds 1997(Br£Var) – £106½ (31Mr92)
9½% Gtd Nts 1993 – £98¾ (30Mr92)
Barclays Overseas Inv Co BV 6% Gtd Bds 1996 (BrY1000000) – Y100 (31Mr92)
Blue Circle Industries Capital Ld 10½% Cnv Cap Bds 2005(Br£5000&100000) – £109
Boots Finance Ld 6% Cnv Cap Bds 2005 (Br) – £126½
British Airways PLC 9⅝% Nts 1997 – £99⅛⊕
British Gas Intl Finance BV 6¾% Gtd Bds 1997 (Br $1000&10000) – $97½ 8¼ (30Mr92)
8⅝% Gtd Bds 1997 (Br ECU1000&10000) – [illegible]
British Gas PLC 12¼% Bds 1995 (Br£1000&10000) – £104½ ⅝ (31Mr92)
British Land Co PLC 12½% Bds 2016 (Br£10000&100000) – £101½ ⅝ ¾ (1Ap92)
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006(Reg) – £107
Cable & Wireless Intl Finance BV 10⅜% Gtd Bds 2002 (Br £10000&100000) – £98⅝ (30Mr92)
Costain Finance NV 7.5% GtdRed CnvPrf 2003 £1(Certs to Br) – 86 (30Mr92)
Daily Mail & General Trust PLC 6¾% Exch Bds 2005 (Br£1000&5000) – £114¾ (31Mr92)
Dow Chemical Co Zero Cpn Nts 30/6/97 – £66½
Eksportfinans AS 8½% Nts 1996 (Br ECU Var) – EC98.9 9.15 (31Mr92)
9⅝% Nts 1993 – £97¾ 8¼ (30Mr92)
Elf Enterprise Finance PLC 8¾% Gtd Exch Bds 2006 (Reg £5000) – £92¼ .3 (1Ap92)
8¾% Gtd Exch Bds 2006(Br£5000&100000) – £89¼
4% Bds 2006 – $116¾ (1Ap92)
Finland(Republic of) 10⅛% Bds 1997 – £98⅞ ⅞ (31Mr92)
Fisher (Albert) Finance N.V. 8¾% Gtd Red Cnv Prf 2004 – £105½ (27Mr92)
Forte PLC 5¾% Nts 1994 – $98.15 98¼ 98⅜ (27Mr92)
Fujitsu Ld Warrants to sub for Shs of Com Stk – $0⅝ (31Mr92)
Guaranteed Export Finance Corp PLC 10⅜% Gtd Bds 2001 (Br£Var) – £101¼ ½ (27Mr92)
Guinness Finance Australia Ld 10% Gtd Nts 1996(Br$A1000&10000) – $A99¾ 100 (31Mr92)
Halifax Building Society 8% Nts 1995 (BrECU1000&10000) – EC96 ⅜
Hammerson Property Inv & Dev Corp 10¾% Bds 2013 (Br£10000&100000) – £91¼ ⅝ (27Mr92)
Hanson PLC 9½% Cnv Subord 2006 (Br £Var) – £99⅝ (1Ap92)
Hanson Trust PLC 10% Bds 2006 (Br£5000) – £90 (27Mr92)
Hickson Capital Ld 7% Cnv Cap Bds 2004 (Reg) – 113 (31Mr92)
7% Cnv Cap Bds 2004 (Br£1000&10000) – £112¾ 3¾ (27Mr92)
Honda Motor Co Ld Wts to sub for ComStk of Honda Motor – $0½ (31Mr92)
Imperial Chemical Industries PLC 11¾% Bds 1995(Br£5000) – £100½ (31Mr92)
International Bank for Rec & Dev 9¼% Bds 2007 (Br£5000) – £92½ (27Mr92)
Italy(Republic of) 9⅝% Nts 1998 – $108.8 9.1 (30Mr92)
Japan Development Bank 9¼% Gtd Nts 1993 – £97¾ (30Mr92)
Kajima Corporation Warrants to Purchase Shs of Com Stk – $0½ (31Mr92)
Ladbroke Group PLC 5¾% Subord Cnv Bds 2004(Br£1000&5000) – £113 (1Ap92)
Ladbroke Group Finance(Jersey)Ld 9% Cnv Cap Bds 2005 (Br£5000&100000) – £96
Land Securities PLC 9½% Bds 2007 – £84½
6¾% Cnv Bds 2002 – £75
9¾% Cnv Bds 2004 (Br£5000&50000) – £92.17188
Lasmo PLC 7¾% Cnv Bds 2005 – £74½ (31Mr92)
Leeds Permanent Building Society 9¾% Bds 1993 (Br£5000) – £97⅝ (30Mr92)
11½% Nts 1996 (Br £5000&100000) – £100½
Lloyds Bank PLC 10¼% Subord Bds 1998(Br£10000) – £95⅝ 6 ¼ (1Ap92)
Lucas Industries Inc 5¼% Cnv Bds 2002 – $112¾ 3½ (31Mr92)
National Power PLC 10⅝% Bds 2001 (Br £10000&100000) – £98 (31Mr92)
National Westminster Bank PLC 11¾% Subord Nts 2001 (Br £Var) – £103½
National Westminster Finance BV 11¼% Gtd Cap Bds 1992 – £102¾⊕ 103¼⊕
Nationwide Building Society 11½% Nts 1997 (Br £5000 & 100000) – £101 ⅜ (30Mr92)
Norway (Kingdom of) 7% Nts 1996 (Br $5000&100000) – $99.3 .3 .42 (27Mr92)
Pacific Electric Wire&Cable Co Ld 3¾% Bds 2001 – $110 (31Mr92)
Pearson PLC 10½% Bds 2008 – £92 (30Mr92)
Pearson Sterling Finance PLC 10⅝% Gtd Bds 2002 – £96¼⊕
Peninsular & Oriental Steam Nav Co 4¾% Cnv Bds 2002 – £114 ¼ (31Mr92)
PepsiCo Capital Corp NV Zero Cpn Gtd Nts 1994 – $89⅝
Province de Quebec 12¾% Bds 1994 – $110¼ (31Mr92)
Prudential Finance BV 9¼% Gtd Bds 2001 – $98⅝ (27Mr92)
RMC Capital Ld 8¾% Cnv Cap Bds 2006 (Br £5000&50000) – £92 (31Mr92)
Ratners Group PLC 4% Cnv Bds 2002 (Br£5000) – £33 (30Mr92)
Royal Bank of Scotland PLC 10⅛% Subord Bds 1998 (Br£5000&25000) – £98 ½ (31Mr92)
Sainsbury (J.)(Channel Islands)Ld 8½%CnvCapBds 2005(Br – £126½⊕
Slough Estates PLC 6% Cnv Bds 2003 – £110 ½
Smith & Nephew Finance N.V. 8¾% Gtd Red Cnv Prf 2004 (Br) – £124 (31Mr92)
Sweden(Kingdom of) 9⅝% Nts 1993 – £97¾⊕ 8¼⊕
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2005 (Reg £1000) – £80½ ¼ ⅜
9½% Cnv Cap Bds 2005(Br£5000&50000) – £80¼⊕
Tate&Lyle IntFin PLC/Tate&Lyle PLC 5¾% T&LItFnGdBds 2001(Br) WWtsT&LPLC – £82⅝ (27Mr92)
Tesco Capital Ld 9% Cnv Cap Bds 2005(Reg £1) – £119 9 .19 ¼ ½ .56 ⅝ ¾ 20 20 ½ 1
9% Cnv Cap Bds 2005(Br£5000&10000) – £120¾ (30Mr92)
Thames Water PLC 9½% CnvSubordBds 2006(Br£5000&50000) – £101½ (31Mr92)
THORN EMI Capital NV 5¾% Gtd Red Cnv Prf 2004 (Br£5000) – £119¾⊕ ¾⊕
Trafalgar House PLC 10¾% Bds 2008 – £90½ (27Mr92)
United Kingdom 9⅛% Bds 2001(Br ECU1000,10000&100000) – EC102⅝ (30Mr92)
Woolwich Building Society 11⅝% Subord Nts 2001 – £99¼ ½

Sterling Issues by Overseas Borrowers
No. of bargains included 20

American Brands Inc 12¾% Uns Ln Stk 2009 – £108 5 ¾ (1Ap92)
Asian Development Bank 10¾% Ln Stk 2009(Reg) – £100⅝ ⅝
Australia(Commonwealth of) 11¾% Ln Stk 2015(Reg) – £105½ (30Mr92)
Bank of Greece 10¾% Ln Stk 2010(Reg) – £91⅝ (27Mr92)
Caisse Centrale De Cooperation Econ 12½% Gtd Ln Stk 2013(Reg) – £117 (1Ap92)
Credit National 13⅝% Gtd Nts 1993(Br) – £103 (31Mr92)
Denmark(Kingdom of) 13% Ln Stk 2005 – £117½ (30Mr92)
European Investment Bank 9% Ln Stk 2001 (Reg) – £92⅝ (1Ap92)
9% Ln Stk 2001 (Br£5000) – £93⅝ (27Mr92)
9½% Ln Stk 2009 – £94⅝ ½ ⅝ ⅞
10¾% Ln Stk 2004(Reg) – £100 ⅝ ⅞
11% Ln Stk 2002(Reg) – £104¾
Finland(Republic of) 11½% Ln Stk 2009 (Reg) – £107½ ⅝ ⅞
Hydro-Quebec 12.75% Ln Stk 2015 – £118½ (31Mr92)
Iceland(Republic of) 14½% Ln Stk 2016 – £124¾ (31Mr92)
Inco Ld 15¾% Uns Ln Stk 2008 $ Rep Opt – £120 (30Mr92)
Inter-American Development Bank 9½% Ln Stk 2015 – £96⅛ ⅜ ⅝ ¾ ⅞ (31Mr92)
International Bank for Rec & Dev 9½% Ln Stk 2010(Reg) – £94⅞
11.5% Ln Stk 2003 – £108⅝ ¾ (27Mr92)
New Zealand 7¾% Stk 88/92 – £99⅜
11½% Stk 2008(Reg) – £105½ (30Mr92)
11¾% Stk 2014(Reg) – £108½ (27Mr92)
Nova Scotia(Province of) 11¾% Ln Stk 2019 – £106½ (31Mr92)
16⅛% Ln Stk 2011 – £145¾ (31Mr92)
Petroleos Mexicanos 14½% Ln Stk 2006 – £107½ 8½ 9½ (1Ap92)
Portugal(Rep of) 9% Ln Stk 2016(Reg) – £88⅝
Spain(Kingdom of) 11¾% Ln Stk 2010(Reg) – £110⅝
Sweden(Kingdom of) 13.5% Ln Stk 2010(Reg) – £125⅜ ⅝ ¾ (31Mr92)

Listed Companies(excluding Investment Trusts)
No. of bargains included 43255

AAH Hldgs PLC 4.2% Cum Prf £1 – 48
ABS Kent PLC 8% Uns Ln Stk 88/93 – £90 (30Mr92)
ABN-AMRO Hldgs N.V. Ord FL5 – $24⅝ NG46.15 .2 ¾ .36
ADT Ld Com Shs $0.10 – 486 90 ¼ 2 3 4 5 5 5 500 [illegible]
AECI Ld 5½% Cum Prf R2 – R3.15 p 50 1 (31Mr92)
AMEC PLC 15% Uns Ln Stk 1992 – £99 (1Ap92)
ASH Capital Finance(Jersey)Ld 9½% Cnv Cap Bds 2006 (Reg Units 100p) – £53 4 ½
Aberdeen Trust PLC Ord 10p – 29⊕
Aberforth Smaller Companies Tst PLC Ord 25p – 124 5 ¾ 6
Wts to Sub For Ord – 48
Abtrust Atlas Fund Shs of NPV(Global Capital Portfolio) – $2.472 (30Mr92)
Addison Consultancy Group PLC Ord 5p (Ex-Rights & Ex-Div) – 11 1
Aegis Group PLC ADR (2:1) – $3.45 (1Ap92)
5.5% Cnv Cum Red Prf 1999 10p – 42 (30Mr92)
Airedale Hldgs PLC 7.5p (Net) 1st Red Prf 50p – 0½ (1Ap92)
Albert Fisher Group PLC Warrants To Sub For Ord – 0¾ (31Mr92)
ADR (10:1) – $11¾ .86 (31Mr92)
Albright & Wilson Ld 8% Deb Stk 87/92 – £98 (27Mr92)
Alcan Aluminium Ld Com Shs of NPV – $19 (1Ap92)
Alexanders Hldgs PLC "A"(RstV)Ord 10p – 9½ (27Mr92)
Alexon Group PLC 6.25p (Net) Cnv Cum Red Prf 10p – 108 (31Mr92)
[illegible] Stk Y50 – [illegible] 9.822381
Allied London Properties PLC 10% Cum Prf £1 – 75 84 (1Ap92)
10⅛% 1st Mtg Deb Stk 2025 – £94½ 5 (30Mr92)
Allied-Lyons PLC ADR (1:1) – $10.09
5½% Cum Prf £1 – 47 51
7¼% Cum Prf £1 – 65
7¾% Red Deb Stk 88/93 – £94¾ (31Mr92)
11¾% Deb Stk 2009 – £109 (31Mr92)
5¾% Uns Ln Stk – £47 (30Mr92)
6¾% Uns Ln Stk – £54
7½% Uns Ln Stk – £60 (31Mr92)
7¾% Uns Ln Stk 93/98 – £90 5 ½ 6
Allied Radio PLC Ord 25p – 17⅝ ½‡
Allied-Signal Inc Shs of Com Stk $1 – $50¾ (1Ap92)
Alphameric PLC Ord 2.5p – 17 ¼ 8 9
Alvis PLC 5.5% Cnv Cum Non-Vtg Red Prf £1 – 51 1
American Brands Inc Shs of Com Stk $3.125 – $25.25 25¾
Andrews Sykes Group PLC Cnv Prf 50p – 30 (31Mr92)
Anglian Water PLC 5¾% Index-Linked LnStk 2008(5.8845%) – £112¾
Anglo-Eastern Plantations PLC Warrants to sub for Ord – 5 (1Ap92)
12¾% Uns Ln Stk 95/99 – £50 (27Mr92)
Armour Trust PLC 10½% Uns Ln Stk 91/96 – £94 (27Mr92)
Asarco Inc Com Stk NPV – [illegible] (27Mr92)
Associated British Foods PLC 5½% Uns Ln Stk 87/2002 50p – 30 (27Mr92)
7½% Uns Ln Stk 87/2002 50p – 40¾ (1Ap92)
Associated Fisheries PLC 8¾% Uns Ln Stk 91/96 – £92 (30Mr92)
Atlas Copco AB A Shs SK25 – SK300
Attwoods PLC ADR (5:1) – $11¾
Attwoods (Finance) NV 8½p Gtd Red Cnv Prf 5p – 78.95 9 .95 80 4 6½ 7 (1Ap92)
Austin Reed Group PLC Ord 25p – 281¾ (31Mr92)
8% Cum Prf £1 – 60 (1Ap92)
Australian Agricultural Co Ld $A 0.50 – 360 (30Mr92)
Automated Security(Hldgs) PLC 6% Cnv Cum Red Prf £1 – 47 9 .02
6% Cnv Cum Red Prf £1 – 38 40 40 ⅝ ¾ ⅝ ½ ½ 1 ¼ .27 2
Automotive Products PLC 4.25% Cum 2nd Prf £1 – 60
9% Cum Prf £1 – 70
Avdel PLC 10½% Uns Ln Stk 96/98 – £90
Ayrshire Metal Products PLC Ord 25p – 40 2
B.A.T Industries PLC ADR (1:1) – $11⅝ .7 ⅛
BET PLC ADR (4:1) – $8.57 ⅝ .748708
5% Perp Deb Stk – £43
BICC PLC 7¾% Deb Stk 90/95 – £90 (30Mr92)
BM Group PLC 4.5p (Net) Cnv Cum Red Prf 20p – 159 (1Ap92)
BOC Group PLC 4.55% Cum Prf £1 – 65 (30Mr92)
2.8% Cum 2nd Prf £1 – 35
3.5% Cum 2nd Prf £1 – 42½ (30Mr92)
12¾% Uns Ln Stk 2012/17 – £109⅞
B.S.G.International PLC 12⅞% Uns Ln Stk 93/98 – £90 (31Mr92)
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p – 151 (1Ap92)
BTR PLC Warrants 1995/98 to Sub for Ord – 49 9 50 50 .474 ½ .974 1 1‡ ¾‡ ½ ⅝ 2
Baillie Gifford Technology PLC Warrants to sub for Ord – 1 (1Ap92)
Bampton Hldgs Ld 8¾% 1st Mtg Deb Stk 88/93 – £95½ (27Mr92)
Bank of Ireland(Governor & Co of) Units NCP Stk Srs A £1 & £9 Liquidation – 98 (1Ap92)
Units NCP Stk SrsA Ir£1&Ir£9 Liquidation – Ir£10.325 (1Ap92)
Barclays PLC ADR (4:1) – $21¾
Barclays Bank PLC 8¾% Uns Cap Ln Stk 88/93 – £94½ 5
12% Uns Cap Ln Stk 2010 – £104½
16% Uns Cap Ln Stk 2002/07 – £127¾
Baring Chrysalis Fund Ld Ord $0.01 – 58¾
Barings PLC 8% Cum 2nd Prf £1 – 87½
9¼% Non-Cum Prf £1 – 107 ½ ⅝
Barlo Group PLC Ord Ir£0.10 – Ir£0.51
Barnato Exploration Ld Ord R0.01 – 7 (30Mr92)
Barr & Wallace Arnold Trust PLC Ord 25p – 491 510
Bass PLC ADR (2:1) – $18⅝ .824379 (31Mr92)
3½% Deb Stk 87/92 – £96½ 7
6½% Deb Stk 87/92 – £97⅝ ⅝ (1Ap92)
10⅛% Deb Stk 2016 – £98¾ ⅞
4½% Uns Ln Stk 92/97 – £76½ (1Ap92)
7½% Uns Ln Stk 92/97 – £86½ (27Mr92)
Bass Investments PLC 7¾% Uns Ln Stk 92/97 – £86 (31Mr92)
Bennett & Fountain Group PLC Warrants to sub for Ord – 2 (30Mr92)
Bergesen d-y AS "A" Vtg Shs NK2.5 – NK103½ ¾ 4 4 ½ ⅝
"B" Non Vtg Shs NK2.5 – NK103¾ 4 4 ¾
Bespak PLC New Ord 10p (FP/PAL-22/4/92) – 510 10 5
Bisichi Mining PLC 10p – 18¾ 9
Blackwood Hodge PLC 9% Cum Red Prf £1 – 67½ (31Mr92)
Blockbuster Entertainment Corp Shs Com Stk $0.10 – $7¾ (31Mr92)
Blue Circle Industries PLC 5¼% 2nd Deb Stk 1984/2009 – £62 (31Mr92)
6¾% Uns Ln Stk(1975 or aft) – £54⊕
Boddington Group PLC 9½% Cnv Uns Ln Stk 2000/05 – £160
Bogod Group PLC Ord 10p – 32½ (27Mr92)
Booker PLC ADR (4:1) – $29⅝
Boots Co PLC ADR (2:1) – $14.8 (1Ap92)
7¾% Uns Ln Stk 88/93 – £94¾ 5½ (1Ap92)
Botswana RST Ld Pu2 – 10 (30Mr92)
Bradford & Bingley Building Society 13% Perm Int Bearing Shs £10000 – £102¾ 3
Braime(T.F.&J.H.)(Hldgs) PLC Ord 25p – 330
"A" Non.V Ord 25p – 170
Brent Walker Group PLC Wts to Sub for Ord – 3 (1Ap92)
Var Rte 2nd Cnv Red Prf 2000/2007 £1 – 9 (31Mr92)
8.5% 3rd Non-Cum Cnv Red 2007/10 £1 – 6½ 7 8
Bristol & West Building Society 13⅛% Perm Int Bearing Shs £1000 – £103¾ ⅞
Bristol Scotts PLC Ord Stk 5p – 80 (31Mr92)
Bristol Water Hldgs PLC Ord £1 – 550
8.75% Cum Cnv Red Prf 1998 Shs £1 – 110 (1Ap92)
Britannia Building Society 13% Undated MandatoryCnv SubordNts (Reg) – £100¼ ⅝
British Airways PLC ADR (10:1) – $42.02 ¼ ½ ⅝
British Alcan Aluminium PLC 10⅝% Deb Stk 2011 – £97½ (1Ap92)
10½% Deb Stk 89/94 – £97 (31Mr92)
British-American Tobacco Co Ld 5% Cum Prf Stk £1 – 43 5 6 (27Mr92)
6% 2nd Cum Prf Stk £1 – 55½‡ 6‡ (31Mr92)
British Petroleum Co PLC 8% Cum 1st Prf £1 – 72
9% Cum 2nd Prf £1 – 79⊕
British Shoe Corp Hldgs PLC 4.55% (Frmly 6½%) Cum 3rd Prf £1 – 54 (1Ap92)
British Steel PLC Ord 50p – 85½ ¾ ⅞ ⅝ 6 6 ⅛ ½ ⅝ ¾ .466 .47 ½ ½ .53 .536 .716 ¾ .783 7 7 7‡ 8
ADR (10:1) – $11 7 .71
17½% Deb Stk 2016 – £104⅝
British Sugar PLC 10¾% Red Deb Stk 2013 – £99⅛ (1Ap92)
British Telecommunications PLC Ord 25p (Regd Int Cert-225p To Pay) – 94⅝ 5¼ ⅜ ⅝ 6½ ½ .95 7 7 ¼ ½ ½‡ ¾ 8 8 8‡ .2 ¼ ½ ⅝ ¾ 9 9 9‡ ½ 100 100‡ ½‡
ADR (10:1) 1st Instalment – $9.57 9.73 $ 16⅝ ¼ 7
British Thornton Hldgs PLC Ord 5p – 9 ½ (30Mr92)
Brown & Jackson PLC 10.75% Cnv Cum Prf £1 – 12½
Brown(John) PLC 4¾% Sec Ln Stk 2003 – £57 (31Mr92)
Bulmer(H.P.)Hldgs PLC 8¾% 2nd Cum Prf £1 – 92½ 3
9½% Cum Prf £1 – 100¾
Bunzl PLC 7% Cnv Uns Ln Stk 95/97 – £76
Burford Group PLC 10⅛% 1st Mtg Deb Stk 2014 – £92½ (27Mr92)
Burmah Castrol PLC 7¼% Cum Red Prf £1 – 59½ 60¼
Burn Stewart Distillers PLC Ord 10p – 142
Burndene Investments PLC 15% Uns Ln Stk 2007/12 – £105 (1Ap92)
Burton Group PLC 8% Cnv Uns Ln Stk 1996/2001 – £98 6 ½ 7¾
CRT Group PLC Ord 10p – 100⅛ 2 ¾ 3
Caird Group PLC 7p Cum Cnv Red Prf 2009 10p – 78 9
California Energy Co Inc Shs of Com Stk $0.0675 – $5.534813 (30Mr92)
Cambridge Water Co Cons Ord Stk – £2700 58
Canning(W.) PLC 7¾% Uns Ln Stk 88/93 – £90 (1Ap92)
Capital & Counties PLC 8¾% 1st Mtg Deb Stk 94/99 – £75
9½% 1st Mtg Deb Stk 2027 – £99⅝ ¾ (31Mr92)
11¾% 1st Mtg Deb Stk 2021 – £102¾ (30Mr92)
9⅝% Uns Ln Stk 91/96 – £92¾
Capital Industries PLC Ord 1p – 55⅝ 6 (27Mr92)
Carclo Engineering Group PLC 10¼% Cum Red Prf £1 – 90 (27Mr92)
ADR (2:1) – $18.7
Casket PLC 10.25% Cum Prf £1 – 80 (27Mr92)
Caterpillar Inc Shs of Com Stk $1 – $50⊕
Centex Corporation Shs of Com Stk $0.25 – $48¾⊕ ⅞⊕ ½⊕ .505⊕ ¾⊕
Channel Tunnel Investments PLC 5p – 45 6
Chapman Industries PLC 8¾% 1st Mtg Deb Stk 88/93 – £89 (31Mr92)
Charlwood Alliance Hldgs Ld 7¾% Uns Ln Stk 50p – 29 (27Mr92)
Charter Consolidated PLC 2p(Br) (Cpn 85) – 472 (30Mr92)
Cheam Group PLC Ord B Non-Vtg 1p – 145½ (31Mr92)
Chepstow Racecourse PLC Ord 25p – 30¼
Chester Waterworks Co 3.15%(Frmly 4½%)Prf Stk – £2550 (1Ap92)
Chillington Corporation PLC Warrants to sub for Ord – 2
9¾% Cum Red Prf £1 – 84 (31Mr92)
9% Cnv Uns Ln Stk 1999 – £56¾ (1Ap92)
Chyvision PLC 8.5%(Net) Cnv Cum Red Prf £1 – 75 (31Mr92)
Claremont Garments(Holdings)PLC Ord 16p – 217 8 22
Clayform Holdings PLC 11% 1st Mtg Deb Stk 2016 – £93½ (31Mr92)
Clayhithe PLC Ord 10p – 32¾ 3¾
9.5% Subord Cnv Uns Ln Stk 2000/01 – £65 (31Mr92)
Cleveland Place Holdings PLC 7% Red Deb Stk 88/93 – £93
10¾% Red Deb Stk 90/95 – £97½
3¾% Irrd Deb Stk – £33 (31Mr92)
Clyde Blowers PLC Ord 25p – 300
Coats Patons PLC 6¾% Uns Ln Stk 2002/07 – £68 (30Mr92)
7½% Uns Ln Stk 90/95 – £88 9
Coats Viyella PLC 4.9% Cum Prf £1 – 66 (31Mr92)
Colorvision PLC Ord 5p – 110¾
Comben Group PLC 7¾% Uns Ln Stk 92/97 – £83 (31Mr92)
Commercial Union PLC 3.5% Cum Red Prf £1 – 55
Cooper (Frederick) PLC 6.5p (Net) Cnv Red Cum Ptg Prf 10p – 61 (30Mr92)
Courtaulds PLC 7¾% Deb Stk 89/94 – £92½ (1Ap92)
5½% Uns Ln Stk 94/96 – £80½ 1
6½% Uns Ln Stk 94/96 – £85 (1Ap92)
7¼% Uns Ln Stk 94/96 – £85½ 6 ¾ 7
7¾% Uns Ln Stk 2000/05 – £77
Courtney,Pope(Hldgs) PLC Ord 10p – 93 5 (31Mr92)
Croda International PLC 5.9% Cum Prf £1 – 61
Cropper(James) PLC 9% Uns Ln Stk 94/99 – £83 (30Mr92)
DAB Investments Ld Ord R0.01 – 160 (30Mr92)
Daily Mail & General Trust PLC Ord 50p – 283 3
Dairy Farm International Hldgs Ld Ord $0.05(Hong Kong Register) – $H11.294 [illegible]
Dalgety PLC 4.85% Cum Prf £1 – 64 (27Mr92)
Dares Estates PLC 7.75% Cnv Cum Red Prf £1 – 4 5
Debenhams PLC 7¼% 2nd Deb Stk 91/96 – £91 (31Mr92)
7¾% Uns Ln Stk 2002/07 – £55¾ (1Ap92)
7¼% Uns Ln Stk 2002/07 – £50 8 (30Mr92)
Delta PLC 10⅛% Deb Stk 95/99 – £100
Dewhirst Group PLC 9.75% Cum Prf £1 – 84 (30Mr92)
Dewhurst PLC Ord 10p – 45
Dowty Group PLC 7% Cnv Cum Red Prf £1 – 75 ¾ 6 ¾
Dunlop Plantations Ld 6% Cum Prf £1 – 50 (31Mr92)
ECC Group PLC New Ord 25p (FP/PAL-7/4/92) – 490 2 3
EFT Group PLC Warrants to sub for Ord – 0¾
EMAP PLC 5% Cum Prf £1 – 43 (30Mr92)
East Midlands Electricity PLC Ord 50p(RegIntCert-170p Pd) – 201 .4 2 3 3 4 4 ½ 5 ⅜ ½ .6 6 ½ ¾ 7 .1 8 8 ½ 9 9‡ 11 2
Eastern Electricity PLC Ord50p(RegIntCert-170pPd) – 203¾ 4½ 5 7 ¼ 8 9 9 ½ .8 10 10 .38 ½ 1 .11 ¼ 4‡
El Oro Mining&Exploration Co PLC Ord 10p – 365
Electron House PLC 7.5% Cnv Cum Red Prf £1 – 42 (31Mr92)
Elliott(B.) PLC 7% Cnv Cum Red Prf £1 – 20½ 1⅛ (1Ap92)
Elys(Wimbledon) PLC Ord 25p – 710 (1Ap92)
Empire Stores Group PLC 9¾% Deb Stk 94/99 – £93 (31Mr92)
Enron Corp Shs of Com Stk $10 – $35.5438 (31Mr92)
Ser B(Reg)SK10 – $21¾ SK130 30 .5 1 1 ½ .73 2
Essex Water PLC A Ord £1 – 800 (31Mr92)
10% Deb Stk 92/94 – £97¾ (30Mr92)
Etonbrook Properties PLC Ord £1 – 65 (1Ap92)
Euro Disney S.C.A. Shs FR10 (Depositary Receipts) – 15.4 15.4 15.4‡ 15.41 15.42 15.43 15.435 15.45 15.47 15.49 15½ 15⅝ 15.55 15.55 15.6 15.6 15.66
Shs FR10 (Br) – £15.46 $ 28⅝ 28¾ 27⅝ FR149.32 ½ ⅝ .8938 50 50 .61 .1 .2 ⅜ ¾ .3 .38 .42 ⅝ .6 ⅝ .8 .9 1 .1
Eurocamp PLC Ord 5p – 297 300 300‡
Europa Minerals Group PLC Ord 2p – 9½
European Leisure PLC 8.75p (Net) Cnv Cum Red Prf 25p – 5 (30Mr92)
Eurotunnel PLC/Eurotunnel SA Units (1 EPLC Ord 40p & 1 ESA FR10) (Br) – $7½
Units (Sicovam Inscribed) – FR40.87 .92 .98 1.2
Fndr Wts(1EPLC & 1ESA Wrts)Sub 10 Units) – £29¼ (30Mr92)
Evered Bardon PLC 7.25p (Net) Cnv Red Prf 25p – 75½ (31Mr92)
11.25p Cum Red Prf 2005 10p – 89¾
Excalibur Group PLC 11.5% Cum Prf £1 – 92 (27Mr92)
Exploration Co PLC Ord Stk 5p – 195
Extel Group PLC 10¾% Cum Prf £1 – 100 (31Mr92)
FII Group PLC 7.7% Cnv Cum Red Prf 95/99 £1 – 190 (30Mr92)
Farringford PLC Ord 5p – 8 9½ 10
Fintan Group PLC Ord 1p – 2 ¾ (31Mr92)
First Chicago Corp Com Stk $5 – $26¾⊕
First Debenture Finance PLC 11.125% Severally Gtd Deb Stk 2018 – £103⅝ ⅞
Fisons PLC ADR (4:1) – $23.02 (31Mr92)
6⅝% Uns Ln Stk 2004/09 – £82⅝
Fluor Corp Com $0.625 – $38.533891⊕ ⅞⊕
Folkes Group PLC Ord 5p – 46
Forte PLC 10.5% Mtg Deb Stk 91/96 – £96½ 7 ⅜
9.1% Uns Ln Stk 95/2000 – £89 (1Ap92)
Forth Ports PLC Ord 50p (FP/AL-15/4/92) – 118 9½ 20 20 2 2
Friendly Hotels PLC 4¾% Cnv Cum Red Prf £1 – 80 (31Mr92)
5% Cnv Cum Red Prf £1 – 127 (31Mr92)
7% Cnv Cum Red Prf £1 – 80
GKN (United Kingdom) PLC 10⅝% Gtd Deb Stk 90/95 – £97¾
GN Great Nordic Ld Shs DK100 – DK310 .77 (31Mr92)
G.T. Berry Japan Fund Ld $0.10 – $22.53 (30Mr92)
G.T. Chile Growth Fund Ld Ord $0.01 – £18
Warrants to sub for Ord – $9 (30Mr92)
General Acc Fire&Life Assc Corp PLC 7½% Uns Ln Stk 87/92 – £98 (27Mr92)
7¾% Uns Ln Stk 92/97 – £87 (31Mr92)
General Electric Co PLC ADR (1:1) – $3.39 (1Ap92)
7¼% Uns Ln Stk 88/93 – £95
Genesis Chile Fund Ld Wts to Sub for Ptg Shs $0.01 – $7 (31Mr92)
Gestetner Hldgs PLC Ord Cap 25p – 95
Gibbs & Dandy PLC Ord 10p – 79 (1Ap92)
Glaxo Group Ld 6¾% Uns Ln Stk 85/95 50p – 42 (1Ap92)
7¾% Uns Ln Stk 85/95 50p – 44
Glynwed International PLC 7¾% Deb Stk 89/94 – £90 (30Mr92)
10¾% Uns Ln Stk 94/99 – £96 ¼
Goodwin PLC Ord 10p – 36 (1Ap92)
Grace (W.R.) & Co Com Stk $1 – $37⅞⊕ ¼⊕ .8255⊕ .905⊕ .97⊕
Grand Metropolitan PLC 4¾% Cum Prf £1 – 43¾ 6
5% Cum Prf £1 – 46
6¾% Cum Prf £1 – 50 (31Mr92)
Great Portland Estates PLC 9.5% 1st Mtg Deb Stk 2016 – £95¾ ½ ⅝ .875 ¾ ⅞ ⅝ ¾
New10¾%1stMtgDebStk2021(FP/AL-3/4/92) – £99⅝
Great Universal Stores PLC 5⅝% Red Uns Ln Stk – £42
8½% Uns Ln Stk 93/98 – £94
Greece Fund Ld Shs $0.01 (IDRs to Br) – $1750
Green Property Co PLC 9% Red Cnv Uns Ln Stk 1995 Ir£1 – Ir£0¾⊕
Greenalls Group PLC 8% Cum Prf £1 – 88 (1Ap92)
11½% Deb Stk 2014 – £105⅝ 6¾ (1Ap92)
8¼% Irrd Uns Ln Stk – £87 (1Ap92)
Greencore PLC Ord Ir£1.00 – Ir£2.67
9.5% Cnv Uns Ln Stk 1995 – Ir£122 (31Mr92)
Greenwich Resources PLC Ord 5p – 5¾ ⅝
Greycoat PLC 9½% Cum Red Prf 2014 £1 – 35¾ 6 6 ½ 7 7 8
Guinness PLC ADR (5:1) – $47½ ⅝ ¾ 8 ⅞
Ptg Red Prf $0.01(Global High Inc Bd Fd) – £12.692243 (30Mr92)
Ptg Red Prf $0.01(Global Leisure Fd) – £38.153747 (30Mr92)
Ptg Red Prf $0.01(Managed Currency Fund) – $38 (27Mr92)
Guinness Flight Intl Acc Fund Ld Acc Red Prf $0.01(Managed Currency Fd) – £39.1602 (30Mr92)
Red Prf $0.01(Intl High Yield Bond Fund) – £12.32 (27Mr92)
HSBC Hldgs PLC Ord $H10 – £2.83 2.84 2.845 2.85 2.86 2.87 2.87 2.88 RM12.8
Halifax Building Society 12% Perm Int Bearing Shs £1 (Reg £50000) – £99
Hall Engineering(Hldgs)PLC 5.85% Cum Prf £1 – 62
Helma PLC 11% Cum Prf £1 – 98 106
Hammerson Prop Inv&Dev Corp PLC Ord 25p – 397 403 5 5
Hardys & Hansons PLC Ord 25p – £14½ 14½ 14.7 14.7 14.705 14¾ 14¾ 15 15 15.15
Harrington Kilbride PLC Ord 5p – 147 (1Ap92)
Harrison Industries PLC Ord 10p – 7½ 8 9 (1Ap92)
Hartlepools Water Co Ord Stk – £925 (31Mr92)
Haslemere Estates PLC 10½% 1st Mtg Deb Stk 2016 – £94½ (31Mr92)
Hawker Siddeley Group PLC 7¼% Deb Stk 87/92 – £98
Headlam Group PLC Ord 5p (RFD-1/1/92) – 69½ 70 2 (1Ap92)
Hemingway Properties PLC Ord 25p – 24 (31Mr92)
Hepworth Capital Finance Ld 11.25% Cnv Cap Bds 2005 (Reg) – 135½ ½ 6¾ 7
Hickson International PLC 8¾% Uns Ln Stk 85/94 – £95 (30Mr92)
High Gosforth Park PLC Ord £1 – £35
Highcroft Investment Trust PLC Ord 25p – 145
Hillsdown Hldgs PLC ADR(4:1) – $11½ (1Ap92)
Honda Motor Co Ld Shs of Com Stk Y50 – Y1468.212 500 6.225776 7.11 15.278 9 .613212 20 5.40895
Hong Kong Land Hldgs Ld Ord $0.10 (Hong Kong Reg) – $H0.74 0.76 $H10 .0755
House of Fraser PLC 6% Uns Ln Stk 93/98 – £78 (31Mr92)
8¾% Uns Ln Stk 93/98 – £85
Housing Finance Corporation Ld 5% Deb Stk 2027 – £43½ ⅝ ⅝ (1Ap92)
11½% Deb Stk 2016 – £101⅝ ⅝ ¾
Hunterprint Group PLC Ord 5p – 10 ⅛ ½ ⅜ ⅝ 1‡ ½
IAS PLC 7¾% Uns Ln Stk 88/93 – £94 (30Mr92)
IS Himalayan Fund NV Ord FL0.01 – $9⅝ 9½
I&S UK Smaller Companies Trust PLC Ord 50p – 74 (1Ap92)
Wts to Sub for Ord – 17 (1Ap92)
Iceland Frozen Foods Hldgs PLC Cnv Cum Red Prf 20p – 129 ⅜ .44 ½
Inchcape PLC 12½% Uns Ln Stk 93/98 – £101 ⅜
Intl Stock Exchange of UK&Rep of IrLd 7¾% Mtg Deb Stk 90/95 – £89 90 (30Mr92)
INVESCO MIM Jersey Gilt Fd Ld Ptg Red Prf 1p – 17.24 (1Ap92)
Irish Life PLC Ord Ir£0.10 – Ir£1.82 1.82‡ 1.83 1.84 $ 3 p 168
JIB Group PLC Ord 10p – 172 ⅜ ¾ 3
Jardine Matheson (Finance) Ld Wrts to sub for JardineMathesonHldgs Ord – £1.1 (27Mr92)
Jardine Matheson Hldgs Ld Ord $0.25 (Hong Kong Register) – $H3.38 3.4 3.42
Jardine Strategic Hldgs Ld Ord $0.05 (Hong Kong Register) – £1.525
Johannesburg Cons Invest Co Ld R0.10 – $8.7 ½
Johnson & Firth Brown PLC 11% Uns Ln Stk 93/98 – £86 9
Johnson Group Cleaners PLC 7.5p (Net) Cnv Cum Red Prf 10p – 125
Johnson,Matthey PLC 8% Cnv Cum Prf £1 – 160
Johnston Group PLC 10% Cum Prf £1 – 98⅝ ½ (31Mr92)
Kajima Corp Shs of Com Stk Y50 – Y1059.58 70 8.704 80 1.176471 8.776 9.34 90.3193
Kenning Motor Group PLC 7% Cum Prf £1 – 60⅝
Keppel Corporation Ld Ord $S1 – $S7.011229 .0019 .235 .05
Kingsley & Forester Group PLC 3.85% Cum Prf £1 – 20
Korea Asia Fund Ld Shs $0.01 – $8050 (31Mr92)
Korea-Europe Fund Ld Shs(IDR to Br) $0.10 (Cpn 4) – $2350 2400 2450
Kvaerner A.S. Free A Shs NK12.50 – NK221.1
B Shs NK12.50 – NK212 5.65
Kymmene Corporation Shs FM20 (Unrestricted) – FM87½ 8 9.207 .345 ½
Kyowa Saitama Bank Ld Shs of Com Stk Y50 – Y641.02 3.78 50 7.380825 .91 64.278549 70 5.13
Ladbroke Group PLC ADR (1:1) – $3.94 (31Mr92)
Lamont Hldgs PLC 10% 3rd Cum Prf £1 – 55 (1Ap92)
Land Securities PLC 6% 1st Mtg Deb Stk [illegible]
7¾% 1st Mtg Deb Stk 91/96 – £87
9% 1st Mtg Deb Stk 96/2001 – £91
10% 1st Mtg Deb Stk 2027 (Reg) – £94
8½% Uns Ln Stk 92/97 – £89 90 1
Laporte PLC 5¾% Deb Stk 88/93 – £97 (27Mr92)
8% Deb Stk 93/98 – £88 (31Mr92)
10¾% Deb Stk 94/99 – £95½ (1Ap92)
LASMO PLC 10¾% Deb Stk 2009 – £95⅜
Latin American Extra Yield Fund Units – $10.6
Lebowa Platinum Mines Ld Ord R0.01 – 15 8
Leeds Permanent Building Society 13⅝% Perm Int Bearing £50000 – £107⅝ 8⅛ ⅜ (31Mr92)
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 – 44
Liberty Life Association of Africa Ld Ord R0.10 – $11.45 (1Ap92)
Lilly (Eli) & Co Shs of Com Stk NPV – $73
Lindum Reefs Gold Mining Co Ld Ord R0.01 – 3 (30Mr92)
Lionheart PLC Cnv Cum Red Prf 20p – 93½‡ (31Mr92)
7% Cnv Cum Red Prf £1 – 80 93¾‡ (31Mr92)
LIT Holdings PLC 9.47% Cum Red Prf 5p – 22
Lloyds Chemists PLC New Ord 5p – 317
Lombard North Central PLC 5% Cum 2nd Prf £1 – 40
8% Cum 1st Prf £1 – 50
London County Free. & Leas. Prop Ld 6¾% 1st Mtg Deb Stk 90/95 – £88 (1Ap92)
London Electricity PLC Ord 50p – £3.18 (27Mr92)
Ord 50p (Regd Int Cert-170p Pd) – 223 4 4 5 6 6 .11 7 8 8 9 9 30 1 2
London International Group PLC ADR (5:1) – $8¾ (1Ap92)
Lonrho PLC ADR (1:1) – $1.23 .29 .3 .34 .35 .36
10¾% 1st Mtg Deb Stk 97/2002 – £98¾ (1Ap92)
Lookers PLC 8% Cnv Cum Red Prf £1 – 79 (31Mr92)
Low(Wm) & Co PLC 6.75% Cum Cnv Red Prf £1 – 102 ⅜
Lowe(Robert H.) & Co PLC 6.75p (Net) Cnv Cum Red Prf 10p – 35 (31Mr92)
Lucas Industries PLC 10¾% Uns Ln Stk 92/97 – £98 ⅜ (31Mr92)
MEPC PLC 3.85% Cum Prf Stk £1 – 48¾‡ 9‡ (30Mr92)
9¾% 1st Mtg Deb Stk 97/2002 – £92¾
8% Uns Ln Stk 2000/05 – £77 ⅜
10⅜% Uns Ln Stk 2032 – £98⅝
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 £1 – 37 8½
7% Cnv Uns Ln Stk 99/04 – £42¾ (1Ap92)
Malaysia Capital Fund Ld Ord $1 – $7¾ (1Ap92)
Manchester Ship Canal Co 5% Perp Prf £1 – £13.95 14 (31Mr92)
Manchester United PLC Ord 10p – 275 7 80
Mandarin Oriental International Ld Ord $0.05 (Hong Kong Reg) – $0.4 0.42 $H6.1787 .207912 (1Ap92)
Manila Fund (Cayman) Ld Ptg Red Prf $0.01 – $5¾
Mansfield Brewery PLC Ord £1 – 535 8
Manweb PLC Ord 50p – £3.45 (31Mr92)
Ord 50p (Regd Int Cert-170p Pd) – 281 2 3.87 4 .87 5 .87 6 ½ 7 7 8 .37 ½ 9 9 ⅜ 81 2 4¾‡
Marks & Spencer PLC ADR (6:1) – $30.18
7% Cum Prf £1 – 64
Marley PLC 11¾% Deb Stk 2009 – £103 (30Mr92)
Marshalls PLC 10% Cum Prf £1 – 85
Medeva PLC ADR (4:1) – $16.15
Mediterranean Fund Ld IDRs (Br) (In denom of 10 Shs) – $830
Merchant Retail Group PLC 8¾% Cnv Uns Ln Stk 99/04 – £84
Mercury International Inv Trust Ld Ptg Red Prf 1p (Continental Europe Fund) – £57.29 (31Mr92)
Ptg Red Prf 1p (Reserve Fund) – £90.0383 (30Mr92)
Mercury Offshore Sterling Trust Shs of NPV(N.American Fund) – 133.9 (27Mr92)
Mersey Docks & Harbour Co 6¾% Red Deb Stk 94/97 – £80 (1Ap92)
6¾% Red Deb Stk 96/99 – £76 (1Ap92)
3¾% Irrd Deb Stk – £23 (31Mr92)
Mid-Southern Water PLC Ord £1 – 750 (31Mr92)
7¾% Red Deb Stk 91/93 – £92
7¾% Subord Uns Ln Stk 83/93 – £96½
10¾% Subord Uns Ln Stk 99/06 – £97¾
14% Subord Uns Ln Stk 2002/07 – £119⅝ ⅜
Midlands Electricity PLC Ord 50p – £2.7225 2.7375 (31Mr92)
Ord 50p (Regd Int Cert-170p Pd) – 217 8 8 ½ 9 20 1 2 3 6 7
Mitsubishi Electric Corporation Shs of Com Stk Y50 – Y460 5.6375 8 4397 7.8844 8 70 .370977 4 .44188 .888888 6
Mitsubishi Trust & Banking Corp Shs of Com Stk Y50 – Y997 1007.02 13.54 32.4 40 4.776923 53.39 .384495
Monsanto Co Com Stk $2 – $38⅝
More O'Ferrall PLC 10% 2nd Cum Prf £1 – 94 (31Mr92)
Morgan Crucible Co PLC 9¾% Deb Stk 95/2000 – £91⊕
Mount Charlotte Investments PLC 10¾% 1st Mtg Deb Stk 2014 – £99¾ ⅝ ½ ⅝
NEC Finance PLC 13¾% Deb Stk 2016 – £122⅝ (31Mr92)
NSM PLC 6.5p (Net) Cnv Cum Red Prf 10p – 12½
Narborough Plantations PLC Ord 10p – 21 (30Mr92)
National Medical Enterprises Inc Shs of Com Stk $0.05 – $13.15 (1Ap92)
National Westminster Bank PLC 7% Cum Prf £1 – 58
9% Subord Uns Ln Stk 1993 – £95
12½% Subord Uns Ln Stk 2004 – £107⅝ ⅝ ¾ ⅝ ⅞ 8 ⅜
New Central Witwatersrand Areas Ld R0.50 – £4.8 (1Ap92)
News International PLC 7% 1st Cum Prf £1 – 45 (31Mr92)
8% 2nd Cum Prf £1 – 49½ ⅝ 50 (30Mr92)
Norsk Data AS Class "B" (Non Vtg) NK20 – NK8 .02 (31Mr92)
North Surrey Water Co 9¾% Red Deb Stk 94/96 – £94½ (30Mr92)
Northchart Investments Ld R 0.10 – $0.16 (27Mr92)
Northern Electric PLC Ord 50p (Regd Int Cert-170p Pd) – 228 6 .89 7 7 .11 ½ .61 8 .11 9 9 30 1 2 4 6 40
Northern Engineering Industries PLC 8¾% Uns Ln Stk [illegible] (1Ap92)
NORWEB PLC Ord 50p (Regd Int Cert-170p Pd) – 238 9 9 ⅞ .86 40 1.26 ⅞ 2 3 4 4 4 5 6 9
Novo Group PLC Ord 5p – 66
Oceonics Group PLC 9¾% Cum Red Prf 1993 £1 – 92 (27Mr92)
Warrants to sub for Ord – 4 (31Mr92)
Old Court Currency Fund Ld Ptg Red Prf $0.01(Deutschemark) – £0.41429
Ptg Red Prf $0.01(Dutch Guilder) – £10.405
Old Court International Reserves Ld Ptg Red Prf $0.01(Sterling Shs) – £35.139 (31Mr92)
Ontario & Quebec Railway Co 5% Perm Deb Stk(Int Gtd by C.P.) – £39 (30Mr92)
Ossory Estates PLC Ord 25p – 9 10 10 ⅝ ⅞ ⅜ ⅝ 1 1‡ ⅜ ½ 2
Owen & Robinson PLC 8¾% (Net) Cnv Cum Red Prf £1 – 40 (30Mr92)
PFG Hodgson Kenyon Intl PLC 6.75% Cnv Prf 91/2001 10p – 55 7 ½
P & O Property Holdings Ld 7¾% 1st Mtg Deb Stk 91/96 – £86 (31Mr92)
Pacific Gas & Electric Co Shs of Com Stk $5 – $29.55⊕
Paramount Communications Inc Com Stk $1 – $25⅞
Park Food Group PLC Ord 2p – 160 8 ⅜ 9
Parkland Textile(Hldgs) PLC Ord 25p – 140 ⅝ (1Ap92)
Paterson Zochonis PLC 10% Cum Prf £1 – 110
Peel Hldgs PLC 10% Cum Prf 50p – 40
9¾% 1st Mtg Deb Stk 2011 – £92¾ ⅝
5.25% (Net) Cnv Cum Non-Vtg Prf £1 – 47 (1Ap92)
Peninsular & Oriental Steam Nav Co 5% Cum Pfd Stk – £43 (31Mr92)
3½% Deb Stk(Perp) – £31 (30Mr92)
Perkins Foods PLC 8p(Net) Cum Cnv Red Prf 10p – 108 11
Petrofina S.A. Ord Shs NPV (Br in Denom 1,5 & 10) – £171½ BF10400 75 905
Pittard Garnar PLC 9½% Cum Prf £1 – 55¼ (30Mr92)
Platignum PLC A Ord 1p – 4 (1Ap92)
Pokphand (C.P.) Co Ld Wts to Sub for Shs(Hong Kong Registered) – $H1.0185 (30Mr92)
Portsmouth&Sunderland NewspapersPLC 11.5% 2nd Cum Prf £1 – 108 8½ 9 (30Mr92)
Potgietersrust Platinums Ld Ord R0.025 – 87 91
Pressac Holdings PLC 10.5% Cum Prf £1 – 95 (30Mr92)
Process Systems Inc Shs of Com Stk $0.025(UK Reg) – 6 7
Property Hldg & Inv Trust PLC 7% 1st Mtg Deb Stk 90/95 – £87½ ⅜ (30Mr92)
10¾% 1st Mtg Deb Stk 2020 – £93⅝ ⅜ ⅝ ¾
R.E.A.Hldgs PLC 9% Cum Prf £1 – 45 50 (1Ap92)
RPH Ld 4¾% Uns Ln Stk 2004/09 – £20
9% Uns Ln Stk 99/2004 – £84¾
RTZ Corporation PLC 3.325% "A" Cum Prf £1 – 43½ (1Ap92)
3.5% "B" Cum Prf £1(Reg) – 45
Racal Security Ld 6¾% Uns Ln Stk 87/92 – £98 (30Mr92)
Raine Industries PLC New Ord 10p (FP/PAL-16/4/92) – 97
Rank Organisation PLC ADR (1:1) – $11⅝ (27Mr92)
Ranks Hovis McDougall PLC 6% Cum 1st Prf £1 – 50
6% Cum "B" Prf £1 – 50 (1Ap92)
8½% Uns Ln Stk 90/94 – £93 (1Ap92)
8¾% Uns Ln Stk 91/95 – £90 1 ½ 2¾ 3
Ransomes PLC 8.25p (Net) Cum Cnv Prf 12.5p – 20 ⅜ 1 2¾ .51 3
Ratners Group PLC ADR (3:1) – $0.85
Reckitt & Colman PLC 5% Cum Prf £1 – 45 9½ (1Ap92)
Regional Electricity Companies Package Units (Regd Int Cert-£1700 Pd) – £2245 55 5 60 75 300 300 35‡
Renold PLC 6% 1st Deb Stk 91/96 – £88 (30Mr92)
Repola Ld Free Shs FM10 – FM87 7 ½
Robinson Bros (Ryders Green) Ld 11% Cum Prf £1 – 90
Ropner PLC 11¾% Cum Prf £1 – 103 (1Ap92)
Ross Group PLC Ord 5p – 37
Royal Bank of Scotland Group PLC 5½% Cum Prf £1 – 52 5 (30Mr92)
11% Cum Prf £1 – 97 100
Royal Trust Government Secs Fund Ld Ptg Red Prf 1p – 55.31‡⊕
Rugby Group PLC 6% Uns Ln Stk 93/98 – £73
Russell(Alexander) PLC 5.75% Cum Cnv Red Prf – 82 (30Mr92)
Saatchi & Saatchi Co PLC ADR (3:1) – $0.84 ⅜
6% Cnv Uns Ln Stk 2015 – £34 (30Mr92)
Sainsbury(J) PLC ADR (1:1) – $6.6
6⅝% 1st Mtg Deb Stk 88/93 – £96 7.2 ⅜ (1Ap92)
Scantronic Hldgs PLC 7.25p (Net) Cnv Cum Red Prf 20p – 60 (1Ap92)
5.75% Cnv Cum Red Prf £1 – 70
Scholl PLC 8½% Cum Red Prf 2001/05 £1 – 85 (1Ap92)
5¾% Cnv Cum Red Prf 2006/11 £1 – 90 (31Mr92)
Schroder Japanese Warrant Fund Ld IDR (In Denom 100 Shs & 10000 Shs) – $112¾
Schroders PLC 8¾% Uns Ln Stk 97/2002 – £86½
Scottish Hydro-Electric PLC Ord 50p (Regd Int Cert-100p Pd) – 80 1 1 ½ ⅜ .84 ⅜ 2 2 .04 ½ ⅝ ¾‡ 3 3 ¾ 4 4 5 6
Scottish & Newcastle PLC 4.5% Cum Prf £1 – 58 (31Mr92)
7.5% 1st Mtg Deb Stk 89/94 – £96
7% Cnv Cum Prf £1 – 192 4 5
Scottish Power PLC Ord 50p – £0.8025
Ord50p(RegdIntCert-100pPd) – 78 9 .48 ¼ ½ 80 80 ⅜ ½ ⅝ ¾ 1 1 ⅜ .46 ⅝ ⅝ 2 3 3
Scottish Value Trust PLC Ord 25p – 66 7 (1Ap92)
Sears PLC 5.25% (Frmly 7½%) Cum Prf £1 – 72 (27Mr92)
4.9% (Frmly 7%) "A" Cum Prf £1 – 69 (31Mr92)
8.75% (Frmly 12½%) Cum Prf £1 – 90⊕
7¾% Uns Ln Stk 92/97 – £85
SEEBOARD PLC Ord 50p – £2.14 (27Mr92)
Ord 50p (Regd Int Cert-170p Pd) – 223 4 5 6 6 7 7 30 1 2 3
Senior Engineering Group PLC New Ord 10p – 71
Shell Transport&TradingCo PLC Ord Shs (Br) 25p (Cpn 189) – 440 5
5½% 1st Prf(Cum)£1 – 51
Shield Group PLC Ord 5p – 4 5½ (31Mr92)
5.84% (Net) Cnv Cum Red Prf £1 – 10 (31Mr92)
Shoprite Group Ld Ord 5p – 390⅝ 1
Sidlaw Group PLC 7¼% Uns Ln Stk [illegible]
Sime Darby Berhad $M 0.50 – 84
Simon Engineering PLC 6% Cum Prf £1 – 54 (30Mr92)
Sindall (William) PLC 6.625% Cnv Cum Red Prf £1 – 69½
Skandia Group Insurance Co Ld Shs SK5 – SK138 .27 .4
Slingsby(H.C.) PLC Ord 25p – 110 2½ (1Ap92)
Smith & Nephew PLC Ord 10p – 144½ 5 6 ⅝ ⅜ ½ .573 ¾ .823 7 .073 .176 ⅜ ⅝ .573 8 8 ⅜ ½ ⅝ .87 9 9
Smith New Court PLC 12% Subord Uns Ln Stk 2001 – £93½ (1Ap92)
Smith (W.H.) Group PLC "B" Ord 10p – 60
5½% Red Uns Ln Stk – £44
7¾% Red Uns Ln Stk 88/93 – £95 (30Mr92)
SmithKline Beecham PLC ADR (5:1) – $73.48455 ⅝ (1Ap92)
SmithKline Beecham PLC/SmithKline ADR (1:1) – $66⅝ ¾
Smiths Industries PLC 11¾% Deb Stk 95/2000 – £100 (27Mr92)
Smurfit(Jefferson)Group PLC Prf Currency Units Ir£0.02 – Ir£5.6 (27Mr92)
9¾% Cnv Uns Ln Nts – £193 200
South African Breweries Ld 6.2% Cum Prf R2 – 5 (1Ap92)
7% Red Cum Prf R0.40 – 4 (30Mr92)
South America Fund N.V. Shs Com Stk $0.01 – $2.3136⊕ .3458⊕ .3462⊕
Wts to Sub Shs Com Stk $0.01 – $0.86⊕
South East Asian Warrant Fund Ld Wts to sub for Shs – 90¾ (30Mr92)
South Staffordshire Water PLC 7¼% Red Deb Stk 91/94 – £90¾ (27Mr92)
South Wales Electricity PLC Ord 50p (Regd Int Cert-170p Pd) – 248 9 9 50 1 3 5 6 7 60
South Western Electricity PLC Ord 50p (Regd Int Cert-170p Pd) – 220 20 1 .88 2 .38 ½ .89 3 .11 4 .11 ⅜ 5 5 7
Southern Electric PLC Ord 50p (Regd Int Cert-170p Pd) – 210 1 1 2 2 3 3 .11 4 4 ⅝ 5 7 .89 8 8 20 20
Sparrowhawk PLC 9.75% Cum Red Prf 2014 £1 – 5
Stag Furniture Hldgs PLC 11% Cum Prf £1 – 97
Standard Chartered PLC 12⅞% Subord Uns Ln Stk 2002/07 – £101½ 2¾ ¾ (1Ap92)
Sterling Industries PLC 1st Prf(5¾% Cum)£1 – 45 (27Mr92)
Stoddard Sekers International PLC 4% Cum Prf £1 – 30 (30Mr92)
Stonehill Hldgs PLC 10¾% Cum Prf £1 – 53 (31Mr92)
Storehouse PLC 9% Cnv Uns Ln Stk 1992 – £98¾ 7
Swire(John) & Sons Ld 8.3% Cum Prf £1 – 89 (1Ap92)
T & N PLC 8% Mtg Deb Stk 87/92 – £98 (30Mr92)
THFC (Indexed) Ld 5.65% Index-Linked Stk 2020(6.3108%) – £108⅝ ⅝
TR Worldwide Strategy Fund Sicav Shs NPV (Far East Fund) – 119.56 (30Mr92)
Shs NPV (Japan Fund) – 61.27 (30Mr92)
Shs NPV (North America Fund) – 119.39 (27Mr92)
TSB Group PLC 10¾% Subord Ln Stk 2008 – £94½ 5⅝ ⅝ 5 ½
TT Group PLC 10.875% Cnv Cum Red Prf Shs £1 1997 – 182
Tarmac PLC 8¾% Uns Ln Stk 90/95 – £90 (1Ap92)
Tate & Lyle PLC 7¾% Deb Stk 89/94 – £92
10¾% Uns Ln Stk 2003/08 – £90
Tesco PLC ADR (1:1) – $4.4
4% Uns Deep Disc Ln Stk 2006 – £60¾ ⅜
Thai Investment Fund Ld Ptg Red Prf $0.01 – $22 (31Mr92)
Thai Prime Fund Ld Ptg Red Prf $0.01 – $10.8945 10.9395 (1Ap92)
Thailand International Fund Ld Ptg Shs $0.01 (Reg) – $12¾⊕
Ptg Shs $0.01 (IDR's to Br) – $12125 (31Mr92)
Thompson Clive Investments PLC Ord 50p – 97
THORN EMI PLC ADR (1:1) – $12.8
Non-Int Bearing Cnv ULS Units50p(PPReg) – 338 40 1 3 4 5
Thornton Pacific Investment Fund SA Warrants to sub for shs – 387
3i PLC 7¼% "A" Deb Stk 89/92 – £97¾ ⅝ (1Ap92)
7¾% "A" Deb Stk 91/94 – £91
9% "A" Deb Stk 91/94 – £94¾ (1Ap92)
Tootal Group PLC 4¾% Perp Deb Stk – £44
7¾% Uns Ln Stk 89/94 – £91
Tozer,Kemsley&Millbourn Estates PLC 5¾% Cum Prf £1 – 45
Trafalgar House PLC 6% Uns Ln Stk 94/99 – £84⊕
9¾% Uns Ln Stk 2000/05 – £88¾ 7
10¾% Uns Ln Stk 2001/06 – £90 (1Ap92)
Transfer Technology Group PLC Ord 50p – 395 9 400 1½ 2 4 5 7
Trustco. Finance PLC 11¾% Sec Deb Stk 2016 – £107⊕
Unigate PLC 4.90% Cum Prf £1 – 62
6¾% Uns Ln Stk 91/96 – £84 6
Unilever PLC ADR (4:1) – $82¾
5¾% Uns Ln Stk 91/2006 – £66¾
6% Uns Ln Stk 91/2006 – £61 ⅜ 2 3
Union International Co PLC 6% Cum Prf Stk £1 – 9 (1Ap92)
7% Cum Prf Stk £1 – 9
United Biscuits(Hldgs) PLC 6% Deb Stk 93/98 – £87 8 ⅜ ½ 9
United Drug PLC Ord Ir£0.25 – Ir£1.6
United Friendly Group PLC "B" (Rest-Vtg) Shs 10p – 300 3 12 3 4 ⅝ ⅜ 20
United Plantations Africa Ld Ord R0.50 – £0.22 (27Mr92)
Upton & Southern Holdings PLC Ord 25p – 4
Vtech Holdings Ld Ord $0.05 (London Reg) – 61 1 3
Vaux Group PLC 4¾% A Cum Prf £1 – 42 ½ (30Mr92)
10.75% Deb Stk 2019 – £100⅝ (27Mr92)
Vickers PLC 5% Cum(Tax Free To 30p)Prf Stk £1 – 60 (31Mr92)
Vodafone Group PLC ADR(10:1) – $54¾ ¾ ⅜ ⅜ .73 ⅜ .78 ½ .98 .98517 5⅜
Waddington(John) PLC 4.2% Cum Prf £1 – 50 (31Mr92)
Wagon Industrial Hldgs PLC 7.25p (Net) Cnv Ptg Prf 10p – 117
Walker & Staff Hldgs PLC Ord 5p – 110
Walker(Thomas) PLC Ord 5p – 20
Warburg (S.G.) Group PLC 7¾% Cum Prf £1 – 84 6
Warner-Lambert Co Com Stk $1 – $0.384478 $ 63
Watmoughs(Hldgs) PLC 8¾% Cum Red Prf 2006 £1 – 88 8
Wells Fargo & Company Shs of Com Stk [illegible]
Western Selection PLC 10p – 9
Westland Group PLC Warrants to sub for Ord – 22
7¼% Cnv Cum Prf £1 – 115 (1Ap92)
7¾% Deb Stk 87/92 – £98 (1Ap92)
12⅝% Deb Stk 2008 – £105 (30Mr92)
Whitbread PLC B Ord 25p – £13.93 (31Mr92)
4½% 1st Cum Prf Stk £1 – 41 3¾ 4
6% 3rd Cum Prf Stk £1 – 53
7% 3rd Cum Prf Stk £1 – 63
4½% Red Deb Stk 99/2004 – £61 (27Mr92)
7% Red Deb Stk 88/93 – £96
7¾% Red Deb Stk 89/94 – £94
7¼% Uns Ln Stk 95/99 – £83½
7¾% Uns Ln Stk 96/2000 – £85 6¾
9% Uns Ln Stk 97/2001 – £90 (30Mr92)
10½% Uns Ln Stk 2000/05 – £98
Widney PLC 6.75% Cnv Cum Red 2nd Prf 2000 £1 – 35
Willaire Group PLC Ord 20p – 1 ⅝ ½
Williams Hldgs PLC 10¾% Cum Prf £1 – 106
Willis Corroon Group PLC ADR (5:1) – $20¾ 20½ 20¾
Wilson(Connolly)Hldgs PLC 10½% Cum 2nd Prf £1 – 100 (27Mr92)
Worcester Group PLC Cum Red Cnv Prf 10p – 170
Wrexham & East Denb Water Co 4.9% PtPg Ord Stk – £1460 75 (31Mr92)
3.5% PtPg Prf Stk – £1200 (31Mr92)
Wright (John)(Weaving) Ld 4½% Cum Prf £1 – 25
Xerox Corp Com Stk $1 – $41¾ (31Mr92)
York Waterworks PLC Non-Vtg "A" Ord 10p – 133
Yorkshire Electricity Group PLC Ord 50p (Regd Int Cert-170p Pd) – 271 2 2 3 ⅜ 4 5 ⅝ 6 6 7 .36 ½ 8 80 1
Young & Co's Brewery PLC 9% Cum Prf £1 – 86 (1Ap92)
Yule Catto & Co PLC 11¾% Cum Red Prf 1998/2003 £1 – 108
Zambia Consolidated Copper Mines Ld "B" Ord K10 – $2¾

Investment Trusts
No. of bargains included 1822

Abtrust Preferred Inc Inv Tst PLC Ord Inc 10p – 85
Alliance Trust PLC 5% Prf Stk – £46 (31Mr92)
Amicable SmallerEnterprises Tst PLC Units (Comp Sords + 1 Wt)(A/L-14/4/92) – 448 58
Anglo & Overseas Trust PLC 4½% Cum Prf Stk – £40 (31Mr92)
Baillie Gifford Japan Trust PLC Wts to Sub Ord Shs – 70½
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord – 66¾
British Assets Trust PLC "A" 5% Prf Stk(Cum) – £40 (1Ap92)
Equities Index ULS 2005 10p – 115½
British Empire Sec & General Trust 10⅝% Deb Stk 2011 – £94¾
British Investment Trust PLC 11.125% Secured Deb Stk 2012 – £104 ⅜
C.S.C.Investment Trust PLC Ord 25p – 72 (27Mr92)
Capital Gearing Trust PLC Ord 25p – 330 50
Channel Islands & Intl Inv Trust Ld Ptg Red Prf 1p – 121 (31Mr92)
Contra-Cyclical Inv Tst PLC Inc Shs 1p – 100 (1Ap92)
Cap Shs 25p – 13 ½
Zero Div Pfd 50p – 59 9
County Smaller Co's Inv Tst PLC Ord 25p – 82 3 (1Ap92)
Wts to Sub for Ord – 17 (30Mr92)
Danae Investment Trust PLC Wts to Subscribe for 1 Inc & 1 Cap – 36 (1Ap92)
Drayton Blue Chip Trust PLC Ord 25p – 65 6
Zero Div Prf £1 – 115¾
Drayton Consolidated Trust PLC 5% Cum Prf Stk – £46 (27Mr92)
Dundee&London Investment Trust PLC 5% Cum Prf Stk – £47 (30Mr92)
Dunedin Income Growth Inv Tst PLC 3½% Cum Prf Stk – £44 (27Mr92)
Dunedin Worldwide Inv Trust PLC 3½% Cum Prf Stk – £47 (30Mr92)
EFM Income Trust PLC Zero Div Ld Vtg Right Prf 25p – 41
East German Investment Tst PLC Ord 25p – 110
Edinburgh Investment Trust PLC 7¾% Deb Stk 1995 – £90⅝ (27Mr92)
11¼% Deb Stk 2014 – £108¾ ⅝
English & Scottish Investors PLC "B" 25p – 70 (31Mr92)
English National Investment Co PLC 8¾% Deb Stk 91/96 – £92 (27Mr92)
Exeter Preferrd Capital Inv Tst PLC Ord 25p – 95
Fidelity European Values PLC Ord 25p – 90½ 1
Wts to Sub for Ord – 25 (1Ap92)
Equity Linked Uns Ln Stk 2001 – 105¾
Fifth Throgmorton Co PLC 7.25% Cnv Uns Ln Stk 2003 – £107 8
Fleming Emerging Mkts Inv Tst PLC Ord 25p – 105 5¾ 6 8
Fleming Inc & Cap Inv Trust PLC Ord Inc 25p – 65 6 .033 7
Fleming Japanese Inv Trust PLC Wts to Sub for Ord – 30 30 1
Fleming Mercantile Inv Trust PLC 3.5% Cum Prf Stk £1 – 45 (1Ap92)
4¾% Perp Deb Stk – £40 (30Mr92)
Gartmore Value Investments PLC Zero Dividend Prf 10p – 75¾ 4¾
Geared Inc Investment Trust PLC Ord 25p – 85
Glasgow Income Trust PLC Warrants to sub for Ord – 0¾ 1
Henderson Strata Investments PLC Warrants to sub for Ord – 57 (31Mr92)
Hotspur Investments PLC Ord £1 – 240 5 (30Mr92)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Liquid Assets Fund – £10 (27Mr92)
Lloyds Smaller Co's Inv Tst PLC Dividend Shs 1p – 35 (1Ap92)
London & St Lawrence Investment PLC Ord 5p – 110¾
London American Ventures Trust PLC 4% Cum Pfd £1 – 65 (30Mr92)
Merlin Intl Green Inv Tst PLC Ord 25p – 70
Minerals Oils&Res Shs Fund Inc $0.10 – $14.17 .47 (27Mr92)
Moorgate Smaller Co's Inc Trust PLC Ord 25p – 107 7 ½ 8
Wts to Sub for Ord – 34 (1Ap92)
Morgan Grenfell Equity Inc Tst PLC Ord 25p – 83 3 4 6
Wts to Sub for Ord – 16
Paribas French Investment Trust PLC Sers "A" Warrants to sub for Ord – 16 (27Mr92)
Sers "B" Warrants to sub for Ord – 12¾ (31Mr92)
St. David's Investment Trust PLC Zero Div Prf 100p – 112¾
Schroder Korea Fund PLC Ord $0.01 (Reg) – $10 .3 (1Ap92)
Scottish Eastern Inv Trust PLC 12¾% Deb Stk 2012 – £113 (31Mr92)
Scottish Investment Trust PLC 3.85% Cum Pfd Stk – 248 (31Mr92)
Scottish Mortgage & Trust PLC 8–12% Stepped Int Deb Stk 2026 – £111¾ (31Mr92)
Scottish National Trust PLC 6% Cum Prf £1 – 57 (30Mr92)
10% Deb Stk 2011 – £96¾ (1Ap92)
Securities Trust of Scotland PLC 4½% Cum Prf Stk – £41 (30Mr92)
Shires Investment PLC Warrants to sub for Ord – 27 7
Templeton Emerging Markets IT PLC Ord Shs £1 – 58¾
Throgmorton Trust PLC 12 5/16% Deb Stk 2010 – £109
Trio Investment Trust PLC Ord 25p – 35¾
Updown Investment Co PLC Ord 25p – 430 37½ (1Ap92)
Witan Investment Co PLC 8% Deb Stk [illegible]

Miscellaneous Warrants
No. of bargains included 7

Barclays De Zoete Wedd Wts Ld A PutWtsRltgto FT-SE 100 Index 25/9/92 – £0.14 0.16 (1Ap92)
C PutWtsRlgto FT-SE 100 Index 25/9/92 – £0.04 0.045
Put Wts (Srs D) Rltg FTSE 100 29/9/92 – £0.81
Put Wts (Srs E) Rltg FTSE 100 29/9/92 – £0.63
Put Wts (Srs F) Rltg FTSE 100 29/9/92 – £0.3
Call Wts (Srs O) Rltg FTSE 100 30/3/93 – £1.43 (1Ap92)
Put Wts (Srs N) Rltg FTSE 100 30/3/93 – £1.02 (31Mr92)
Put Wts (Srs O) Rltg FTSE 100 30/3/93 – £0.74
Put Wts (Srs C) Rltg DAX Index 18/3/93 – DM20

USM Appendix
No. of bargains included 651

Apollo Metals PLC 8p(Net) Cum Cnv Red Prf 10p – 175 (31Mr92)
Associated Energy Services PLC Ord 1p – 1⅝
BLP Group PLC Ord 50p – 43
Banner Homes Group PLC Ord 10p – 27½
Beckenham Group PLC Warrants to sub for Ord – 0¼ (1Ap92)
Bedford(William) PLC Ord 5p – 21
Bexbuild Developments PLC Ord 50p – 75⅝ (31Mr92)
CMW Group PLC Ord 5p – 85¾
CRP Leisure PLC Ord 5p – 28
Chemex International PLC Ord 1p – 2¾ (1Ap92)
Cooper Clarke Group PLC Ord 50p – 38
Dakota Group PLC Ord Ir£0.25 – Ir£0.2 (1Ap92)
EIT Group PLC Ord 5p – 13 (31Mr92)
Farepak PLC Ord 10p – 280
Gibbon Lyons Group PLC 7% Cum Cnv Red Prf £1 – 60
Great Southern Group PLC 6.75p Cum Cnv Red Prf 5p – 99 100 (31Mr92)
Greenacre Group PLC Cnv Red Prf Shs 70p – £0.7 (1Ap92)
Mid-States PLC Ord 10p – 39
Midland & Scottish Resources PLC Ord 10p – $0.52 p 28 30
Porth Group PLC Ord 20p – 8 (27Mr92)
Property Trust PLC Ord 25p – 45 7.83¾
Savage Group PLC 6.5% (Net) Cum Red Cnv Prf £1 – 52½
Sheldon Jones PLC Ord 25p – 80 (27Mr92)
Simpsons of Cornhill PLC Ord 5p – 35
Total Systems PLC Ord 5p – 36 (30Mr92)
Union Square PLC Ord 1p – 3
Wharfedale PLC Ord 5p – 35¾ 1¾

Rule 535(2)
No. of bargains included 71

Adnams & Co PLC "B" Ord £1 – £16½ (31Mr92)
African Gold PLC Ord 1p – £0.1325
Amalgamated Metal Corp PLC 5.4% Cum Prf £1 – £0.54 (31Mr92)
Arsenal Football Club PLC Ord £1 – £275 (30Mr92)
Audiotext PLC Ord 1p – £0.00005
Barclays Investment Fund(C.I.)Global Resources Fund – £0.388
Sterling Bd Fd – £0.403 (27Mr92)
Biocure Holdings PLC Ord 1p – 65 ¾ 7 8 8
Bromsgrove Industries PLC 10% Cnv Uls Stk 1999 – £80¾ (31Mr92)
Cavendish Shops PLC Ord £1 – £0.8
Chancery PLC A Ord 25p – £0.01
Church(Charles)Developments PLC 9¾% B Red Prf 50p – £0.03 (1Ap92)
D.B.S.Management PLC Ord 10p – £2.38
Dawson(William)Hldgs Ld Ord 10p – £2.8
Douglas Gas Light Co Ld Ord £1 – £4.35 (27Mr92)
East of Scotland Industrial Inv Tst Red Pfd Ord 1p – £0.92 (1Ap92)
Eastern Counties Newspapers 10% Cum 2nd Prf £1 – £1.16 1.18 (1Ap92)
[illegible] Hldgs PLC Ord 10p – £5.05 (31Mr92)
Exchem PLC Ord 50p – £1.95 (31Mr92)
Gander River Resources PLC Ord 5p – £0.005 (1Ap92)
Granville PLC Ord 10p – £4 4.005 (30Mr92)
Greenstar Hotels PLC Ord 10p – £0.38 (1Ap92)
Greig Fester Group Ld Ord 10p – £4.2
Hambros Fund Managers(C.I.)North American Growth Fund – $8.5564 (31Mr92)
Hayter Brockbank PLC Ord 10p – £1¾
Henry Cooke Group PLC Ord 10p – £0.5
Jennings Bros Ld Ord 25p – £1.53
Jersey Gas Co Ld Ord £1 – £2.7 (30Mr92)
5% A Cum Prf £1 – £0.4 (30Mr92)
Kay's Atlas Brewery 8% Cum Prf £10 – £3½
Kleinwort Benson(Intl) Fund Man Japanese Fund – £0.3711
KB Gilt Fund – £13.18‡ 13.27
International Income – £1.686
Lawrie Group PLC Ord £1 – £20
Le Riche's Stores Ld Ord £1 – £2.4
London Fiduciary Trust PLC Ord 10p – £0.01 (30Mr92)
MIM Britannia International Ld Japan Income & Growth – £1.211 1.227
Manx & Overseas Investments Ld Ord 5p – £0.04 0.050625 (27Mr92)
Manx Petroleum PLC Ord £1 – £0.47 0¾ (27Mr92)
Merrett Hldgs PLC Ord 10p – £0.42 0.43
Mid-Sussex Water PLC Ord £1 – £10½ (31Mr92)
Mowlem(John) & Co PLC 4¾% Cum Prf £1 – £27 (31Mr92)
National Parking Corp Ld Ord 10p – £3¾
Newbury Racecourse PLC Ord £100 – £2150 (30Mr92)
North West Exploration PLC Ord 20p – 1¾ (1Ap92)
Pan Andean Resources PLC Ord 1p – £0.05
Park Lane Hotel PLC Ord 25p – £7.75
Poddington PLC Ord 5p – 0¾ (30Mr92)
Rangers Football Club PLC Ord 10p – £0.05 (1Ap92)
Select Industries PLC Ord 2½p – £0.075 0.08 0.085
New Ord 7½p (Pty Pd-17/4/92) – £0.035 (31Mr92)
Shepherd Neame Ld "A" Ord £1 – £4.25
Southern Newspapers PLC Ord £1 – £2.15
Sun Oil Britain Ld Oil Royalty Bil Units 1p – £0.5
Systems Connections Group PLC Ord 2.5p – 1 (31Mr92)
Tadpole Technology PLC Ord 10p – £0.59125 (31Mr92)
Transatlantic Hldgs PLC Ord 50p – £3.253125 (31Mr92)
Unicorn Inns PLC Ord 25p – 20¾ (31Mr92)
Vardon PLC Ord 25p – £0.42 (31Mr92)
Vista Entertainments PLC Ord 5p – 0⅜
Wadworth & Co 9¾% Cum Prf £1 – £0.98 (27Mr92)
Watmoughs(Hldgs) PLC 8% Cum 1st Prf £1 – £0.21 (27Mr92)
Weetabix Ld "A" Non.V Ord 25p – £10.55 10.56 10.58 10.6 10.65
Wynnstay Properties PLC 25p – £0¾ (27Mr92)
Yates Bros Wine Lodges PLC Ord 25p – £0.855
Yorkdale Holdings PLC Ord £1 – £0¾ (31Mr92)

RULE 535 (4) (a)

Bargains marked in securities where principle market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Aust. Foundation Inv A$1.72 (31/3)
Commodore International $15.625 (27/3)
Community Psychiatric Centers $12.094 (2/4)
Dainippon Screen Manufacturing Y847.826 (2/4)
Forest Laboratories $33.75 (27/3)
Kulim Malaysia Ord 25¢ (30/3)
Leveraged Capital Holdings NG$54.78 (30/3)
Malaysian Plantations 8 (27/3)
National Electronics Hldgs H$0.68 (30/3)
Niugini Mining A$2.9 (30/3)
Oil Search A$1.95 (2/4)
Regal Hotels (hldgs) HK$1.2 (2/4)
Regent Mining 1.5¢ (27/3)
Selangor Coconuts 25 (27/3)
Storer Communications SK290.04 (1/4)

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LONDON STOCK EXCHANGE

Share prices weaken as election nears

By Steve Thompson

Account Dealing Dates		
*First Dealings:		
Mar 23	Apr 6	Apr 27
Option Declarations:		
Apr 2	Apr 23	May 7
Last Dealings:		
Apr 3	Apr 24	May 8
Account Day:		
Apr 13	May 5	May 18

*New-time dealings may take place from 8.30 am two business days earlier.

THE CLOSE of a two-week *stock exchange account*, which coincided with the tax-year end, left London's equity market looking worn out as the *election campaign* moved into its final week.

The FT-SE 100-share index dropped a further 22.7 to 2,382.7, its fourth consecutive retreat and its lowest level this year. Yesterday's slide left the index some 65.2 points down on the week, and almost 74 points lower over the account, during which the market has adjusted to the increasing likelihood of a Labour government.

There was considerable unease towards the close as sterling came under pressure against the D-mark, after widespread stories of selling by the Saudis. But equity dealers took heart from the fact that there was very little pressure on gilts; the long-dated ended unchanged having been up ¼ earlier in the session.

Equities opened with minor falls across the board, as marketmakers chopped their prices to head off end-account selling. They were also weary of fund managers trying to offload stock in front of the election.

The Footsie began the day some 7.5 points lower and quickly lost ground during the early part of the session as the Footsie future dipped away.

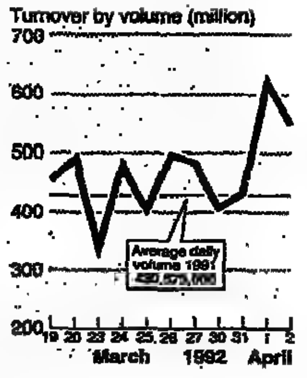
Dealers said there was "plenty of stock around during the morning," with much of it being offered at a discount to ruling market prices. These offers had a decisive effect from midday onwards when the Footsie came under some pressure. The day's low of 2,379.5, or a loss of almost 26 points, was recorded soon after the opening of Wall Street which, down 5 points during the first 30 minutes, was showing a 15 points-plus decline after two hours.

Turnover was disappointing in the final trading session of the tax year. Customer business, which had been down on the first two days of this week, expanded rapidly in the middle of the week, after a series of big placings and a sharp expansion in the number of programme trades. Traders said one of the features of recent trading in equities has been the increase in the number of programme trades as well as the huge upturn in the level of business in derivatives. County NatWest calculated that Footsie futures activity ballooned by 60 per cent last week, with FTSE options volumes up some 40 per cent.

Turnover, yesterday, reached 532.7m shares, well down on Thursday's 607.2m and the 702m traded on Wednesday – the highest so far this year.

● Equity retail business rose sharply towards the end of the week as fund managers made final portfolio alterations ahead of the general election.

London SE volume



FINANCIAL TIMES STOCK INDICES

	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Year Ago	1991/92 High	1991/92 Low	Since Compilation High	Since Compilation Low
Government Secs	85.18	85.14	85.11	85.71†	85.74	85.55	88.55 (27/2/92)	82.17 (2/1/91)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	98.26	98.19	98.39	98.85	98.72	94.84	101.56 (19/2/92)	90.59 (2/1/91)	105.40 (28/11/47)	50.53 (3/1/75)
Ordinary Share ●	1851.4	1866.6	1876.9	1903.5	1916.1	2014.5	2108.3 (2/9/91)	1608.3 (16/1/91)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	118.1	119.6	121.6	120.9	120.2	137.8	222.8 (11/7/91)	116.0 (17/3/92)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2382.7	2405.4	2409.6	2440.1	2452.9	2545.3	2679.6 (2/9/91)	2054.8 (16/1/91)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1141.32	1149.52	1146.11	1159.94	1158.46	1170.06	1200.08 (4/3/92)	938.82 (16/1/91)	1200.08 (4/3/92)	938.62 (16/1/91)
●Ord. Div. Yield	4.79	4.76	4.75	4.70	4.68	4.80				
●Earning Yld %(full)	6.97	6.93	6.91	6.79	6.76	8.75				
●P/E Ratio(Net)(☆)	18.03	18.14	18.16	18.50	18.57	14.07				
SEAQ Bargns 5.00pm	38,131	39,234	40,752	35,216	29,299	59,497				
Equity Turnover(£m)†	-	1,055.0	1,415.2	788.7	639.9	1793.75				
Equity Bargains†	-	44,673	46,974	42,559	33,834	67,276				
Shares Traded (ml)†	-	551.4	619.7	432.5	407.8	831.4				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ☆ Nil 16.88

Ordinary Share Index, Hourly changes Day's High 1860.8 Day's Low 1849.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1860.8	1857.2	1859.5	1858.1	1859.6	1853.2	1853.2	1851.8	1849.8

FT-SE 100, Hourly changes Day's High 2397.9 Day's Low 2379.5

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2397.9	2391.6	2393.1	2392.7	2391.9	2383.6	2383.0	2382.0	2379.9

FT-SE Eurotrack 200, Hourly changes Day's High 1145.43 Day's Low 1140.00

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1145.21	1145.10	1143.74	1143.48	1142.11	1142.42	1142.01

GILT EDGED ACTIVITY

Indices*	Apr 2	Apr 1
Gilt Edged Bargains	107.8	92.4
5–Day average	103.8	108.2

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

London report and latest Share Index: Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p/minute at all other times.

BP under renewed pressure

STORM clouds continued to gather over BP as one securities house came in with the first shot in a hefty reassessment of the oil group's prospects. It was also affected by a feeling that enthusiasm from the US might be on the wane.

Mr Fergus Macleod at County NatWest, sending out a preliminary note to clients headed: "The suffering continues", argued that any improvement in refining margins in the US would be more than offset by falls in Europe and the Far East. He intends to issue an extremely bearish set of forecasts next week.

The stock has suffered further on talk that the highly-rated oil analyst from US brokerage PaineWebber had turned negative on BP. It appears that the house did reduce its profit forecast but still rates BP as a buy.

US demand, although down on previous days, returned in after-hours trading last night. The shares were down 6 at one stage, yesterday, before closing 3½ off at 242½p with 9.7m traded. Investors were also said to be switching into British Gas, which fell with the market, ending 2 lower at 243p on turnover of 10.9m shares.

Redland surges

Building materials group Redland continued to bask in the positive comments from its results on Thursday and successful bid for Steetley. Redland's shares surged 14 to 481p *in busy volume of 4.1m. Investor* activity was spurred by the lure of Redland going ex-dividend on Monday, with a final *payment of 22.3p beckoning.*

Mr Donald Anderson at Hoare Govett said: "At 481p I would start to be a little cau*tious as a buyer, although the* shares still promise to be strong performers over the next two to three years."

Banks were weak as their heavy exposure to debt-ridden property groups continued to drag the sector down. The plight of Heron International was the focal point and Barclays was again the main casualty with a fall of 12 to 287p. Lloyds, a strong performer for some time, fell 12 to 348p. Midland lost 3 to 337p despite the support value in its proposed merger with HongKong & Shanghai.

Power companies were firmer, apart from the Scottish generators and Eastern Electricity. The latter slipped 14 to 197p as Kleinwort Benson cut its profit forecast for the year to March to £135m from £157m, and for the current year to £180m from £188m. Scottish Power fell 1½ to 79p and Scottish Hydro eased a penny to 81p, but National Power hardened to 192p and PowerGen added 2 to 203p. Among the regional electricity distributors, London put on 2 to 233p and Manweb 3 to 263p.

A weaker dollar held back overseas earners. Reuters fell 14 to 1109p, Glaxo lost 12 to 767p and Wellcome slipped 15 to 1028p.

A big line of stock in Vodafone Group found few buyers and the shares fell 6½ to 308p in a thin market in the telecoms network sector. James Capel is believed to have been the seller of 1.2m shares which went through at 308p.

South-eastern house builders came under pressure as some in the market felt they would be penalised by a prospective Labour government. Countryside Properties slipped 3 to 97p, Laing (John) shed 8 to 170p and Berkeley Group lost 2 to 231p.

Uncertainties surrounding one US account held by a company recently acquired by Steel Burrill Jones reflected badly on the shares which fell 10 to 250p making a slide of 27p *in two days.*

Political and economic worries weighed on food retailers. J. Sainsbury fell 8 to 375p and Tesco lost 7½ to 242p, despite hopes that Tuesday's full-year figures will be good. Tesco is expected to show pre-tax profits of around £540m, compared with £417m last year, boosted by an interest saving from its £572m rights issue in January 1991.

Animal feed group and food manufacturer, Dalgety, rose 2 to 381p on the appointment of Mr John West as chairman from September, when Mr Peter Carey retires.

ICI, which held a meeting with analysts after the market closed on Thursday, firmed 4 to 1228p.

Troubled chemicals group MTM, which slumped by more than 50 per cent on Thursday, lost a further 5¼ to 25p.

Life assurer London & Manchester fell 14 to 233p as County NatWest advised clients to sell the stock. The house argued that new business growth was slowing, the balance sheet was stretched and the shares too expensive.

British Aerospace was resilient, the shares eventually ending only a penny down at 299p, having touched 306p, on the prospect of raising £400m from disposals. BAe was also helped by confirmation from Trafalgar House, a penny firmer at 111p, that it had bought BAe's *stake in the Brooklands property* development. No price was mentioned by either party but analysts talked of a figure between £30m and £40m.

Motor components manufacturer BBA gave up 4 to 110p as part of a block of 2.5m shares continued to overhang the market. The big seller in Siebe was still offering stock yesterday and that sent the shares falling another 14 to 604p.

Fears that a Labour government would scale down the Trident submarine programme hurt VSEL and the shares eased another 5 to 265p, with a large part of the day's business carried out via agency crosses dealt.

BET fell 7 to 114p on reports of a dividend downgrade by BZW. Turnover reached 5.8m.

A Thursday night presentation at S.G. Warburg lifted airports group BAA 3 to 553p.

Two sizeable sellers were reported in Ocean Group ahead of next week's figures and the shares fell 9 to 302p.

Scottish Television jumped 40 to 750p after the company said advertising revenue was showing real growth for the first time in nearly two years. 1991 profits were down on the previous year but at the top end of forecasts and the group announced a one-for-one share split.

Pearson bounced back 10 to 755p following recent sharp falls.

Good two-way business in Ladbroke Group left the hotel and leisure concern 3 up at 214p as investors eyed the chunky dividend on offer on Monday. Turnover was a large 3.2m.

Euro Disney continued its volatile *ride, the shares slipping* back 7 to 1543p. Adverse press and market comment has undermined the stock in recent weeks, *although sentiment has* been strengthened by the political uncertainty which has affected UK-based stocks. Most *observers are waiting for an* analysts' visit to the group on Tuesday to see if the bearish mood is continued.

Finding support after recent weakness were Rank Organisation, 2 up at 657p and Thorn EMI, 3 ahead at 738p. Hanson *saw good two-way business* and closed a net 3 down on the day at 209½p with more than 8m shares dealt.

Guinness steadied after Thursday's fall, rising a penny to 540p as Shearson Lehman Brothers re-emphasised its *strong recommendation for the* stock. Good turnover in the traded options market reflected well on Lasmo.

The oil exploration company gained 4 to 190p in the underlying market on turnover of 9.3m, with the equivalent of a further 5m shares dealt in options form.

NEW HIGHS AND LOWS FOR 1991/92

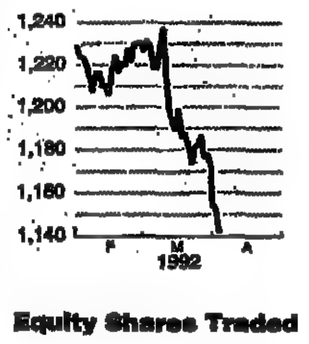
NEW HIGHS (11). BRITISH FUNDS (1) Tr. 9pc 1992, BUILDING MATERIALS (1) St. Gobain, CONTRACTING & CONSTRUCTION (1) Boot (H), FOOD MANUFACTURING (1) Nichols (V), HEALTH & HOUSEHOLD (1) Elan Corp., HOTELS & LEISURE (1) Alba, INVESTMENT TRUSTS (2) India Fund, [illegible], MISCELLANEOUS (1) Bluebird Toys, OTHER INDUSTRIAL MATERIALS (2) ECC, Harris.

NEW LOWS (145). BRITISH FUNDS (5) Ex. 12¼pc 1992, Ex. 13½pc 1992, Tr. 12¼pc 1993, Tr. 13¼pc 1993, Ex. 13½pc 1994, AMERICANS (1) Pennzoil, BANKS (13) Barclays, Fuji, Kyowa Saitama, Mitsubishi, Mitsubishi T & B, Mitsui T & B, Sakura, Sanwa, Sumitomo, Sumitomo T & B, Tokai, Toyo T & B, Yasuda T & B, BREWERS & DISTILLERS (3) [illegible], Marston Thompson, Whitbread A, BUILDING MATERIALS (5) Blockleys, Johnston, Latham (J), [illegible], [illegible], BUSINESS SERVICES (2) ATA Selection, ATP Comms., CONGLOMERATES (4) [illegible], Porter Chadburn, Ropner, Do. A, CONTRACTING & CONSTRUCTION (5) Bellwinch, Galliford, [illegible], McAlpine (A), Westbury, ELECTRICALS (6) Fujitsu, Mitsubishi, NEC, Sony, TDK, Toshiba, ELECTRICITY (1) Eastern Elect., ELECTRONICS (4) AB Elect., Computer People, Ferranti Intl., Unitech, ENGINEERING AEROSPACE (2) Dowty, Hunting, ENGINEERING GENERAL (2) Atlas Converting Equipt., VSEL Consortium, FOOD MANUFACTURING (1) Finlay (J), FOOD RETAILING (2) Ashley 8¼pc Prf., Low (Wm), HOTELS & LEISURE (1) Friendly Htls., INSURANCE BROKERS (6) Archer (A.J), Heath (CE), JIB, FWS, Steel Burrill, [illegible], INSURANCE COMPOSITE (3) CU, [illegible], Sun Alliance, INSURANCE LIFE (3) London & Manchester, Refuge, Utd. Friendly B, INVESTMENT TRUSTS (18) Baillie Gifford Japan, Brit. Empire Sec. Wrnts., Contra-Cyclical Cap., Drayton Recovery, Electra, Eng. & Scott. Wrnts., Exmoor Dual, Gartmore Emrg. Pacific Wrnts., Gartmore Value, General Cons Cap., JF Pacific Wrnts., M & G Inc. Package Uts., Scott & Mercantile, Scott. Inv. Wrnts., Scott. Nat. Inc., TR Prop., Throgmorton Tst., Tor Inv. Cap., MEDIA (3) MMI, Shandwick, Thames TV, MERCHANT BANKS (1) Kleinwort Benson, METAL & METAL FORMING (1) ASW, MISCELLANEOUS (2) Ricardo Intl., [illegible], MOTORS (2) [illegible], Jacks (Wm), OIL & GAS (7) Brabant Res., BP, Cairn Energy, Calor, Ex. Co of Louisiana Wrnts., [illegible] Oil, Ramco Oil, OTHER FINANCIAL (3) Caledonia Invs., Daiwa Secs., King & Shaxson, OTHER INDUSTRIAL MATERIALS (3) Assoc. Brit. Eng. 8pc Prf., Elsco, Expamet Intl., PROPERTY (26) Allied Lon. 5¼pc Prf., Asda Prop., Barlows, Bolton, Bredero Props., Britannia, British Land, Brit. Land (Jersey) 8⅝pc Cv. 2011, Cap & Counties 5¾pc Prf., Clayform, Deb. Tewson & Chin., [illegible], Frogmore Ests., Hammerson A, [illegible] Bar, High-Point, Land Secs., MEPC, McKay Secs., Property Tst., Scott. Metrpl., Smith (J), Southend Prop., Tops Ests., UK Land, Wates City of London, STORES (3) [illegible], Mallett, Stylo, TEXTILES (1) Jerome, TRANSPORT (2) All Nippon Airways, Bergesen, MINES (4) Bougainville, [illegible], Homestake, Indonesian Diamond Corp.

RISES AND FALLS YESTERDAY

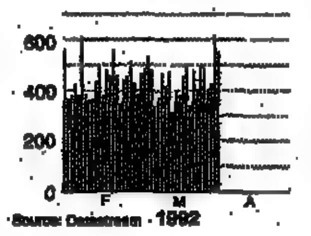
	On Friday Rises	On Friday Falls	On Friday Same	On the week Rises	On the week Falls	On the week Same
British Funds	35	16	29	115	173	112
Other Fixed Interest	5	0	12	20	24	41
Commercial, Industrial	154	435	877	820	2,317	4,210
Financial & Property	41	266	485	281	1,301	2,370
Oil & Gas	11	24	53	54	136	246
Plantations	0	0	9	0	3	42
Mines	12	42	93	119	153	463
Others	19	67	60	159	285	259
Totals	277	850	1,618	1,568	4,392	7,743

FT–A All–Share Index



Equity Shares Traded

Turnover by volume (million) Excluding: intra-market business & Overseas turnover



Source: Datastream · 1992

MARKET REPORTERS:
Peter John, Joel Kibazo,
Christopher Price,
Colin Millham.

■ Other market statistics, Page 11.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	120	505		Comm. Union	1,800	403	-12	Lucas	1,400	110		Shell Transport	5,400	[illegible]	-3
ASDA Group	14,000	29	-½	Cookson	824	127	+1	MB Caradon	442	263	+2	Siebe	436	604	-14
Abbey National	4,700	263	+4	Courtaulds	1,000	513	-6	MEPC	608	288	-4	Slough Ests.	139	158	+1
Albert Fisher	1,400	63		Dalgety	1,400	381	+2	Manweb	144	263	+3	Smith (W.H.) A	407	399	-3
Allied–Lyons	804	583	-7	De La Rue	140	632	-3	Marks & Spencer	5,300	274	-5	Smith & Nephew	952	147½	-1
Amstrad	992	29		Dixons	1,600	190	-6	Midland Bank	1,400	337	-3	SmKl Beecham	1,200	643	+1
Anglian Water	459	312	-2	ECC Group	1,200	517	+3	Midlands Elect.	670	219	-1	SmKl Beecham Uts.	153	[illegible]	-30
Argos	1,200	207	+1	Eastern Elect.	3,200	197	-14	NFC	914	228		Smiths Inds.	763	258	-7
Argyll Group	3,200	311	-2	East Midland Elect.	361	206	-2	NatWest Bank	2,800	263	-6	Southern Elect.	182	211	-3
Arjo Wiggins	991	225	+2	Enterprise Oil	187	377	+2	National Power	1,200	192	+1	South Wales Elect.	386	247	-4
Ass. Brit. Foods	188	434	+6	Eurotunnel Units	1,300	405	-6	Next	303	63	-½	South West Water	600	390	-1
Ass. Brit. Ports	280	391		FKI	2,100	63		North West Water	1,400	332	+3	South West. Elect.	13	329	-2
BAA	2,000	553	+3	Fisons	2,500	227	-12	Northern Elect.	638	280	+2	Southern Water	893	310	-4
BAT Inds.	3,950	675	-6½	Forte	815	222		Northern Foods	1,200	531	+4	Standard Chartd.	732	400	
BET	5,800	114	-7	Gen. Accident	817	387	-1	Norweb	847	237	-6	Storehouse	834	111	-3
BICC	378	317	-2	General Elect.	3,400	189	+1	Pearson	241	755	+10	Sun Alliance	2,100	241	-6
BOC	784	636	+1	Glaxo	2,600	767	-12	P & O	2,300	413	-2	T&N	180	118	
BPB Inds.	425	151		Glynwed Intl.	70	316	-1	Pilkington	1,500	126	-5	TI Group	228	588	-14
BTR	3,900	404	-2	Granada	831	229	+1	PowerGen	1,400	203	+2	TSB	3,800	122	-1
Bank of Scotland	1,700	98	-4	Grand Met.	1,600	695	-4	*Prudential*	5,500	206½	-4½	Tarmac	2,100	137	-2
Barclays	6,200	287	-12	GUS A	300	1380	-11	RHM	749	215	-6	Tate & Lyle	857	394	-4
Bass	891	920	-5	GRE	1,100	121	-2	RMC	376	543	-7	Taylor Woodrow	984	114	+3
Beresford Intl.	482	17½		GKN	1,100	340	+2	RTZ	1,500	587	-9	Tesco	3,300	242	-7½
Blue Circle	785	245	-5	Guinness	7,700	540	+1	Racal	1,800	55	+½	Thames Water	915	380	-1
Booker	517	429	+2	Hammerson 'A'	32	389	-3	Rank Org	789	657	+2	Thorn EMI	382	738	+3
Boots	2,600	416	-3	Hanson	8,100	209½	-3	Reckitt & Colman	578	619	-4	Tomkins	836	444	+2
Bowater	684	703	+7	Hanson Warrants	497	19	-½	Redland	4,300	481	+14	Trafalgar House	1,000	111	+1
Brit. Aerospace	2,800	299	-1	[illegible]	3,300	122	-1	Reed Intl.	363	511	+1	Unigate	1,100	296	-6
British Airways	1,600	241	-3	Hillsdown	2,500	164	-1	Rentokil	459	346	-3	Unilever	1,600	904	-3
British Gas	10,300	243	-2	IMI	388	228	-6	Reuters	528	1109	-14	United Biscuits	387	461	+2
British Land	985	148	-4	ICI	889	1228	+4	Rolls Royce	4,100	158	-1	Utd. Newspapers	381	387	+2
BP	9,700	242½	-3½	Inchcape	601	426	-3	Rothmans	381	1027	-2	Vodafone	4,700	308	-6½
British Steel	4,300	84	-2½	Kingfisher	2,200	459	-½	Ryl Bk Scotland	1,700	181	-3	Warburg (SG)	348	457	-6
British Telecom	6,000	307	-3½	Kwik Save	425	622	+4	Royal Insurance	1,800	173	-3	Wellcome	874	1028	-15
Br. Telecom New	4,300	95½	-4	Ladbroke	3,000	214	+3	Saatchi	8,300	16½		Welsh Water	449	361	-2
Bunzl	388	90	+1	Land Securities	1,700	376	-4	Sainsbury	2,500	375	-8	Wessex Water	370	358	-1
Burmah Castrol	488	527	+3	Laporte	255	546	-6	Scottish & New.	634	442	-5	Whitbread 'A'	1,600	378	-6
Burton	2,400	38		Legal & General	2,100	319	-1	Scot. Hydro–Elect.	2,600	81	-1	Williams Hldgs.	1,500	307	+4
Cable & Wire.	1,500	526	-2	Lloyds Abbey	3,800	366	-2	Scottish Power	3,400	79	-1½	Willis Corroon	752	242	
Cadbury Schweppes	1,100	440	-1	Lloyds Bank	3,800	348	-12	Sears	8,100	91	-3	Wimpey	857	136	-3
Calor Group	335	187	-6	LASMO	9,300	190	+4	Sedgwick	1,400	214		Wolseley	486	392	-1
Carlton Comms.	1,400	530		London Elect.	941	233	+2	Seeboard	314	230	+1	Yorkshire Elect.	613	285	-½
Coats Viyella	924	192	-1	Lonrho	7,800	81	+2	Severn Trent Water	1,600	304	+3	Yorkshire Water	861	354	+5

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system on Tuesday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

TURNOVER in the London Traded Options market soared to one of its highest levels this year as dealers hedged positions ahead of next week's election, writes Joel Kibazo.

Traders chose the end of the account day to take positions in front of the impending election. However, a substantial part of the day's volume was based on three large trades in stock options. Lasmo topped the league table of top stock option trades. It traded a total of 5,116 contracts, and was closely followed by Guiness with a day's total of 5,042. James Capel was reported to have traded some 5,000 contracts in each of the above, selling puts and stock in the process. Asda was also busy registering a total of 3,136 lots.

The FT-SE option traded a total of 11,095 contracts. By the close, turnover in the options had reached a hefty 50,569 contracts.

In contrast, trading in stock index futures was described by one trader as "dull" with little in the way of institutional business and independent traders taking centre stage.

The session was volatile and June closed at 2,413, around 4 points above its estimated fair value premium to cash of around 28. Turnover reached 4,934 lots.

FT-A INDICES LEADERS AND LAGGARDS

Percentage changes since January 2 1992 based on Thursday April 2 1992

Textiles	+	8.90	Food Manufacturing	-	1.02
Other Industrial Materials	+	7.91	Transport	-	1.16
Building Materials	+	6.20	Stores	-	1.31
Media	+	5.10	500 Share Index	-	1.97
Engineering-General	+	5.03	All-Share Index	-	3.02
Capital Goods	+	4.78	*Other Groups*	-	3.44
Motors	+	4.34	Investment Trusts	-	3.62
Food Retailing	+	4.09	Insurance Brokers	-	4.19
Engineering-Aerospace	+	2.37	Health & Household	-	5.54
Electronics	+	1.88	Banks	-	6.79
Hotels & Leisure	+	1.74	Merchant Banks	-	6.87
Electricals	+	1.51	Telephone Networks	-	7.50
Brewers & Distillers	+	1.45	Business Services	-	9.45
Chemicals	+	1.44	Financial Group	-	10.34
Metals & Metal Forming	+	0.47	Electricity	-	12.09
Conglomerates	+	0.05	Oil & Gas	-	12.31
Packaging, Paper & Printing	+	0.01	Gold Mines Index	-	13.27
Industrial Group	-	0.57	Insurance (Life)	-	13.62
Water	-	0.63	Insurance (Composite)	-	15.91
Consumer Group	-	0.67	Property	-	20.26
Contracting, Construction	-	0.89			

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	101.3041	+0.712	9.80	9.91	10.07
BELGIUM		9.000	08/01	100.8000	+0.100	8.86	8.92	8.86
CANADA *		8.500	04/02	98.0000	+0.250	8.80	8.81	8.52
DENMARK		9.000	11/00	100.4700	+0.100	8.90	8.88	8.84
FRANCE	BTAN	8.500	03/97	98.4112	+0.267	8.90	9.04	8.89
	OAT	8.500	11/02	98.6500	+0.200	8.66	8.72	8.43
GERMANY		8.000	01/02	99.9400	+0.090	8.00	8.04	7.82
ITALY		12.000	02/02	98.0800	+0.310	12.34†	12.41	12.12
JAPAN	No 119	4.800	06/99	94.0960	-1.278	5.87	5.56	5.80
	No 129	6.400	03/00	103.9179	-0.605	5.66	5.26	5.47
NETHERLANDS		8.250	02/02	99.1600	+0.170	8.37	8.41	8.25
SPAIN		11.300	01/02	101.6000	-	11.00	10.96	10.83
UK GILTS		10.000	11/96	98-24	-1/32	10.34	10.13	9.84
		9.750	08/02	96-16	+0/32	9.98	9.91	9.46
		9.000	10/08	94-09	+1/32	9.70	9.67	9.30
US TREASURY *		7.500	11/01	100-18	+7/32	7.42	7.58	7.45
		8.000	11/21	101-12	+12/32	7.88	7.98	7.94

London closing, *denotes New York morning session. Yields: Local market standard
† Gross (including witholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. *Technical Data/ATLAS Price Sources*

FT-ACTUARIES SHARE INDICES - QUARTERLY VALUATION

The market capitalisation of the groups and sub-sections of the FT-Actuaries Share Indices, as at March 31 1992, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the preceding *two quarters.*

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)		Market capitalisation as at Mar 31 1992 (£m.)	% of all share index	Market capitalisation as at Dec 31 1991 (£m.)	% of all share index	Market capitalisation as at Sep 30 1991 (£m.)	% of all share index
1	CAPITAL GOODS GROUP	178	69,104.20	13.97	64,397.93	12.93	75,136.88	14.20
2	Building Materials	22	12,426.61	2.51	11,500.87	2.31	13,724.93	2.59
3	Contracting, Construction	28	4,222.51	0.85	4,147.93	0.83	6,038.06	1.14
4	Electricals	7	1,812.27	0.37	1,854.30	0.37	3,755.72	0.71
5	Electronics	27	9,819.43	1.99	9,374.28	1.88	9,814.05	1.86
6	Engineering-Aerospace	8	4,047.45	0.82	3,983.65	0.80	4,115.08	0.78
7	*Engineering-General*	43	8,702.00	1.76	7,839.05	1.57	8,597.85	1.63
8	Metals and Metal Forming	10	2,936.98	0.59	2,763.24	0.56	4,188.35	0.79
9	Motors	14	3,930.61	0.79	3,558.60	0.71	4,383.78	0.83
10	Other Industrial Materials	19	21,207.34	4.29	19,376.01	3.90	20,519.06	3.87
21	CONSUMER GROUP	187	196,502.58	39.74	193,463.37	38.87	187,607.56	35.47
22	Brewers and Distillers	23	36,997.33	7.48	35,376.60	7.11	35,263.31	6.67
25	Food Manufacturing	18	23,168.94	4.69	22,993.06	4.62	22,802.50	4.31
26	Food Retailing	18	19,697.94	3.98	18,275.96	3.67	18,413.65	3.48
27	Health and Household	24	53,293.15	10.78	56,395.54	11.33	46,953.27	8.88
29	Hotels & Leisure	21	12,384.83	2.50	12,145.68	2.44	13,212.18	2.50
30	Media	24	14,953.29	3.02	13,698.29	2.75	15,306.11	2.89
31	Packaging, Paper & Printing	17	6,651.65	1.35	5,943.02	1.19	6,331.11	1.20
34	Stores	32	26,657.78	5.39	26,244.25	5.27	26,830.21	5.07
35	*Textiles*	10	2,697.67	0.55	2,390.97	0.49	2,495.22	0.47
40	OTHER GROUPS	117	116,260.67	23.51	117,329.44	23.57	127,906.26	24.18
41	Business Services	16	6,373.91	1.29	6,025.03	1.22	6,213.45	1.17
42	Chemicals	22	18,250.68	3.69	17,452.26	3.51	18,199.13	3.44
43	Conglomerates	11	14,098.25	2.85	13,938.60	2.80	16,707.39	3.16
44	Transport	14	11,940.93	2.41	11,720.79	2.35	12,045.72	2.28
45	Electricity	16	13,749.45	2.78	15,041.77	3.02	15,788.37	2.98
46	Telephone Networks	4	28,633.33	5.79	30,761.02	6.18	34,774.50	6.57
47	Water	10	7,455.67	1.51	7,242.44	1.45	8,076.20	1.53
48	Miscellaneous	24	15,758.45	3.19	15,147.53	3.04	16,107.50	3.05
49	INDUSTRIAL GROUP	482	381,867.45	77.22	375,190.74	75.37	390,650.70	73.85
51	Oil and Gas	18	44,403.86	8.98	49,661.40	9.98	54,280.29	10.27
59	500 SHARE INDEX	500	426,271.31	86.20	424,852.14	85.35	444,930.99	84.12
61	FINANCIAL GROUP	86	55,394.70	11.20	59,836.36	12.02	69,886.69	13.21
62	Banks	9	25,586.91	5.10	26,349.18	5.29	30,074.68	5.68
65	Insurance (Life)	6	7,089.92	1.43	7,902.31	1.59	9,336.62	1.77
66	Insurance (Composite)	7	7,674.49	1.55	8,704.85	1.75	10,749.21	2.03
67	Insurance Brokers	10	2,823.59	0.57	2,974.53	0.60	3,225.57	0.61
68	*Merchant Banks*	7	2,634.26	0.53	2,602.53	0.52	2,856.46	0.54
69	Property	33	7,298.12	1.48	8,859.18	1.78	10,770.99	2.04
70	Other Financial	14	2,287.41	0.46	2,443.70	0.49	2,873.16	0.54
71	Investment Trusts	68	12,843.95	2.60	13,084.08	2.63	14,136.17	2.67
99	ALL-SHARE INDEX	654	494,509.96	100.0	497,772.50	100.0	528,953.85	100.0

COMMODITIES

WEEK IN THE MARKETS

Coffee market awaits pact talks

THE WORLD coffee market was marking time at the end of this week as traders awaited the start next Monday of fresh *negotiations on the future of* the moribund International Coffee Agreement.

Hopes for the revival of the agreement's *export quota* system, suspended since July 1989, were given a boost last month when Brazilian growers, exporters and, *finally, the* government came out in favour of export controls as a means of lifting coffee prices out of the present depression.

Most growers in Brazil, the world's biggest coffee producer, had always hankered after the return of the quota system, but the exporters, understandably, had been more interested in unfettered trade than in remunerative prices. Meanwhile the government had shown no inclination *to promote* consensus on the issue within the country's coffee sector, much to the frustration of other producing countries, especi*ally* Colombia, the second-biggest producer.

Now that Brazil is off the fence the way seems clear for real progress *to be made* towards a new price-stabilisation pact. But traders said yesterday that the were not expecting a major breakthrough at next week's five-day council session, in view of the major issues that had to be settled, such as the level of individual quota shares and the question of "selectivity" between different types of coffee.

At the London Futures and Options Exchange coffee prices edged higher, with the July position regaining $10 of last week's $18 fall at $869 a tonne. *But* trade was slow, apart from a burst of activity on Wednesday when turnover totalled 9,647 lots of five tonnes each. Yesterday's *turnover* of 1,328 lots was the lowest since mid-February and well below the recent average.

At the *London Metal* Exchange base metal prices moved higher early in the week in response to more hopeful US economic indicators.

The cash copper price, which was also boosted by talk of Chinese, buying broke through chart-based resistance to reach £1,300.50 a tonne at one point.

Its gain was trimmed, however, partly in response to the ending after two days of a rail strike in Zambia. At yesterday's close cash copper was quoted at £1,289.50 a tonne, up £14.50 on the week.

Zinc prices touched fresh 15½-month peaks early in the week before its rise was arrested by profit taking and trade selling. But the market remained underpinned by technical tightness and the cash price closed yesterday at £1,273 a tonne, up $19 on balance.

Concern over the availability of good quality metal for delivery this month drove the cash tin price higher and by Wednesday's close it had established a $30 premium over the *three months delivery price*, having ended last week at a $2.50 discount.

At that point Mr David King, the *LME chief* executive commented: "We always watch all markets closely. . . some we're watching more closely than others. . . Tin *falls into* that category at present". That thinly veiled warning of possible exchange action may have played a part in the subsequent unwinding of the backwardation, as the cash premium is known.

At yesterday's close cash tin, which had reached $5,802.50 a tonne on Wednesday, was still $35 up on the week at $5,760 a tonne, but that represented a $5 discount against the three months position.

At the London bullion market the platinum price went on a roller-coaster ride. A statement by Russia's Almazyuvelirexport saying it would retain its monopoly of exporting the white metal eased fears of an unco-ordinated flood of metal into western markets and set the price on the upward path that took it to $362.50 a troy ounce on Wednesday.

But on Thursday dealers decided that the rise was overdone, and with Japanese investors selling platinum to cover equity market losses the price plunged $7.25. At yesterday *afternoon's fixing it* was quoted at $355.75 a tonne, up 50 cents on the day and $5.25 on the week.

Richard Mooney

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	+18,100	to 1,194,475
Copper	-2,300	to 286,400
Lead	-1,675	to 130,900
Nickel	+240	to 26,268
Zinc	+1,250	to 222,625
Tin	-80	to 11,910

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The minimum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often well above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (♣) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071 - 379 - 0444.

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Stewart Ivory Unit Tst Mgrs Ltd (1200)H
45 Charlotte Sq, Edinburgh 031-226 3271

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American ♥	5	289.8	289.8	309.4	-3.2	0.74
(Accum Units) ♥	5	341.1	341.1	364.2	-3.7	0.74
British	5	751.9	769.9xd	814.6	-2.9	6.14
(Accum Units)	5	1260.9	1291.1	1366.1	-4.8	6.14
European	5	343.0	343.0	365.1	+1.5	1.38
(Accum Units)	5	371.8	371.8	395.8	+1.7	1.38
Japan	5	93.84	93.84	99.84	-0.4	–
(Accum Units)	5	94.59	94.59	100.6	-0.5	–
New Pacific	5	196.9	196.9	210.6	-1.6	1.64
(Accum Units)	5	202.2	202.2	216.3	-1.6	1.64
PEP Apr 1	5	142.1	143.6	152.0	....	4.03
Mngd Equity	5	121.2	122.5	129.6	-0.2	2.86
Mngd Equity Acc	5	128.6	130.0	137.5	-0.2	2.86
Mngd Cash	0	95.42	95.42xd	95.42	....	10.02
(Accum Units)	0	119.8	119.8	119.8	....	10.02
Majority Stg	1	99.47	99.47xd	100.46	+0.01	9.80
Majority Stg Acc	1	110.21	110.21	111.31	+0.01	9.80

Storebrand Intl Inv Mngrs Ltd (1200)F
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing: 0277 261010

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
International Mar 13	0	50.61	50.61	51.02	....	2.69

Sun Alliance Unit Tst Mngmt Ltd (1200)F
St Mark's Court, Horsham 0403 232323

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Equity	6	568.7	576.3	616.4	-1.7	3.95
North American	6	84.81	84.81	90.71	-0.95	0.30
Far East	6	84.00	84.00	89.80	-0.50	0.72
W'wide Bond	6	47.48	47.48xd	50.57	-0.13	5.76
European	6	68.89	68.89	73.68	+0.18	1.62
Equity Income	6	61.26	61.26	65.52	-0.26	6.52
Portfolio	6	56.46	56.46xd	60.39	-0.21	2.49
Broker Trusts						
Worldwide Growth	6	47.00	47.00	50.00	....	2.23

Sun Life of Canada Unit Mgrs Ltd (1000)H
Basingview, Basingstoke, Hants 0800 525725

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Growth	6	26.91	26.91	28.79	-0.58	0.60
Managed Assets	6	96.94	97.16	103.92	-0.30	4.95
UK Income	6	28.86	29.26	31.30	-0.09	5.19
UK Growth	6	29.05	29.39	31.44	-0.14	4.08
Worldwide Growth	6	23.40	23.40	25.03	-0.04	1.00

Sun Life Trust Mngmt Ltd (1200)H
101, Cannon St, London EC4N 5AD
Admin & Enq. 071-606 4044 Dealing: 071-606 6010

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Master Portfolio	5¼	32.21	32.21xd	34.45	-0.21	1.87
Amer Growth Acc	5¼	43.97	43.97	47.00	-0.94	0.00
Cap Protector Acc	5¼	32.38	32.72xd	34.99	-0.26	4.57
Cap Protector Inc	5¼	28.10	28.35xd	30.32	-0.25	4.57
Euro Growth Acc	5¼	58.96	58.96	62.84	+0.09	0.67
Far East Gwth Acc	5¼	73.25	73.25	78.34	-0.39	0.45
Japan Growth Acc	5¼	73.73	73.73	78.79	-0.42	0.00
UK Growth Acc	5¼	52.50	52.50	56.15	-0.30	3.03
UK Income Acc	5¼	51.33	51.33	54.90	-0.31	6.14

M & G Securities Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
[illegible]	101.15		+0.1	10.66
[illegible]	612.59		+0.6	10.66
NAACIF Mar 31	39.75		....	9.75

Morgan Grenfell Investment Funds Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Exempt Funds				
UK Equity † Mar 31	125.1	134.6	....	2.01
UK Small Co † Mar 31	499.5	549.6	....	3.65
Fixed Interest † Mar 31	111.0	116.7	....	8.50
US Small Co Mar 31	172.3	184.2	....	0.00
Managed Mar 31	106.6	114.1	....	3.49
Intl Bond Mar 31	127.6	128.3	....	10.00
Japan Mar 31	61.81	65.91	....	4.45
European Mar 31	92.24	98.68	....	1.72
Nth American Mar 31	120.4	129.4	....	1.23

Murray Johnstone UT Mngmt

	Bid Price	Offer Price	+ or -	Yield Gross
Murray Exempt Funds				
Amer Expt Apr 1	56.96	58.21	....	1.78
Euro Expt Apr 1	54.29	57.01	....	2.24
Fixed Inc Ex Apr 1	46.75	47.92	....	9.08
Japan Expt Apr 1	37.77	39.29	....	0.84
Managed Ex Apr 2	43.35	45.09xd	-0.46	4.41
SE Asia Expt Apr 1	76.59	80.42xd	....	2.48
Sm Cos Expt Apr 1	34.48	36.21	....	3.69
UK Eqty Ex Apr 1	42.19	44.30xd	....	4.09

Phillips & Drew Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Small Co's Mar 4	656.40	698.79	....	4.04
Do Accum	781.43	810.61	....	4.04
Int. Expt Mar 26	189.55	199.54	....	1.72
UK Index Mar 4	1139.99	1150.06	....	4.53
Do Accum	1258.32	1273.91	....	4.53
Convertible Mar 30	94.36	97.51	....	8.34
Worldex UK Index Mar 31	762.35	771.32	....	2.03
Do Accum	762.35	771.32	....	2.03
Japan Index Mar 31	477.26	484.54	....	0.86
Do Accum	479.15	486.45	....	0.86
USA Index Mar 31	1058.30	1068.66	....	2.81
Do Accum	1103.34	1118.80	....	2.81
Europe ex UK Index Mar 31	915.92	930.06	....	3.06
Do Accum	952.51	967.22	....	3.06
Pacific ex Jap Index Mar 26	1035.29	[illegible]	....	3.35
Do Accum	1121.60	1152.08	....	3.35
Managed Exempt Mar 26	106.20	108.21	....	4.95
America Exempt Mar 26	139.30	141.70	....	3.42
European Exempt Mar 26	123.66	126.11	....	2.71
Japan Exempt Mar 26	95.55	97.72	....	0.38
Pacific Basin Mar 26	162.60	167.04	....	2.07

Rothschild Asset Management

	Bid Price	Offer Price	+ or -	Yield Gross
NC Property	150.4	166.0xd	....	–

J. Rothschild Fund Managers Ltd.

	Bid Price	Offer Price	+ or -	Yield Gross
Intl Exempt Accum	128.2	129.5	....	3.58

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	Bid Price	Offer Price	+ or −	Yield Gross
Norwich Union Life Insurance Soc.—Contd.				
Mixed Fund	433.2	456.0	−2.2	−
Ordinary Share Fund	646.6	680.6	−2.0	−
International Fund	170.0	178.9	−2.2	−
Property Fund	258.3	271.9	−1.2	−
Fixed Interest Fund	388.8	409.3	−1.4	−
Index-Linked Sec Fund	187.6	197.5	−0.7	−
Deposit Fund	278.9	293.6	+0.4	−
Norwich Units Mar 14	1048.63			−
*Prices as at March 31				
Jersey Investment Plan				
With Profits Fund	123.19	129.66	+0.03	−
Intl Equity Fund	91.09	95.89	−0.62	−
Intl Bond Fund	120.72	127.07	−0.47	−
Norwich Union Pensions Management Ltd				
Surrey Street, Norwich NR1 3NG			0603 683335	
Group Pooled Pensions				
Balanced Managed Fd	306.36	311.52	−0.51	−
Growth Managed Fd	101.26	103.06	−0.23	−
Sentinel Managed Fd	101.36	102.77	−0.13	−
Prices as at April 2				
Pearl Assurance (Unit Funds) Ltd				
Thorpe Wood, Peterborough PE3 6SA			0733 63212	
Prop Dist (Gross)	133.9	141.0		−
Prop Acc (Gross)	255.3	268.7		−
Equity (Gross)	821.2	864.4	−5.4	−
Managed (Gross)	578.3	608.7	−2.7	−
Prop Acc (Net)	121.9	128.3		−
Equity (Net)	191.4	201.5	−1.1	−
Managed (Net)	176.9	183.4	−0.7	−
International (Net)	163.5	172.1	−0.5	−
Gilt & Fxd Interest	131.0	137.9	+0.3	−
Money Fund	137.6	144.9	+0.1	−
Mixed Fund (Cap)	114.5	120.6		−
Mixed Fund (Acc)	118.0	124.3		−
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1)	630.8	664.0	−2.7	−
Ret Man (Series 2)	213.9	225.2	−0.9	−
Ret Cash	192.7	202.8		−
Pens Mixed Fd (Cap)	127.5	134.3		−
Pens Mixed Fd (Acc)	131.3	138.3		−
Pens Stlg Fd (Cap)	101.9	107.3		−
Pens Stlg Fd (Acc)	105.0	110.6		−
Pegasus Assurance Ltd				

	Bid Price	Offer Price	+ or −	Yield Gross
Provident Mutual Life Assc. Assn.—Contd.				
Fixed Interest Ord	215.3	226.6	+0.2	−
Fixed Interest Init	158.3	166.6	+0.1	−
Deposit Ord	183.9	193.6		−
Deposit Init	135.3	142.4		−
Pension Funds				
Managed Ord	440.1	463.3	−0.9	−
Managed Init	323.6	340.6	−0.8	−
Equity Ord	653.1	687.5	−1.4	−
Equity Init	480.3	505.6	−1	−
Pen Ind Lkd Gilt Ord	177.6	186.9		−
Pen Ind Lkd Gilt Init	136.4	143.6		−
Overseas Equity Ord	310.0	326.3	−1.4	−
Overseas Equity Init	227.9	239.9	−1	−
Property Ord	278.5	293.2		−
Property Init	204.8	215.6		−
Fixed Interest Ord	272.7	287.1	+0.4	−
Fixed Interest Init	200.6	211.2	+0.4	−
Deposit Ord	262.5	276.3		−
Deposit Init	193.1	203.3	+0.1	−
Prudential Assurance Co				
Holborn Bars, London EC1N 2NH			071-405 9222	
Profund				
Managed Mar 11	251.6	262.1		−
Prudential Corporate Pension Funds				
1 Stephen St, London W1P 2AP			071-548 3281	
Prudential Managed Funds				
Discretionary Mar 02	£179.65	184.17		−
Equity Mar 02	£200.63	207.52		−
International Mar 02	£27.71	28.29		−
Intl Bond Mar 02	£14.70	14.89		−
Fixed Int Mar 02	£98.56	99.68		−
Index Linked Mar 02	£70.74	71.63		−
Property Mar 02	£107.99	114.02		−
Cash Mar 02	£30.0901	30.0931		−
Pru-Linked Retirement Plan				
Managed Apr 01	433.4	451.5		−
Cash Apr 01	276.6	288.2		−
Prudential Pensions Investment Account				
Pens Mngd Apr 03	171.0	184.0	−0.4	−
Pens UK EQ Apr 03	296.1	319.4	−0.6	−
Pens Intl Apr 03	197.9	212.7	−0.5	−
Pens Global Eqty Apr 03	95.9	101.0	−0.2	−
Pens Fixed Apr 03	222.9	235.4	+0.3	−
Pens Index Lk Apr 03	183.2	193.4	+0.2	−

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ISLE OF MAN (REGULATED**)

JERSEY (STB RECOGNISED)

LUXEMBOURG (STB RECOGNISED)

LUXEMBOURG (REGULATED**)

JERSEY (REGULATED**)

SWITZERLAND (STB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ will be given in U.S. dollars. Yields % allow for all buying expenses. Prices of certain offshore insurance linked plans subject to capital gains tax on sale. ‡ Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. a Designated in Luxembourg as a UCITS (Undertakings for Collective Investment in Transferable Securities). x Offered price includes all expenses except agent's commission. z Previous day's price. ‖ Business given. ¶ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Only available to charitable bodies. ● Yield column shows annualised results if NAV increases at an average.

(**) Funds not STB recognised. The regulatory authorities for these funds are, Guernsey, Financial Services Commission, Ireland, Central Bank of Ireland, Isle of Man, Financial Supervision Commission, Jersey Commercial Relations Department, Luxembourg, Institut Monétaire Luxembourgeois.

WORLD STOCK MARKETS

US MARKETS (2:00 pm)

April 3	US$	+ or −
AAR Corp	13⅝	+⅛
AMP Inc	56½	−⅛
AMR Corp	70⅞	−1⅛
ASA	45⅛	
Abbott Labs	60½	
Acme Cleveland	9⅞	
Adobe Res	5	
Advanced Micro	17¾	
Aetna Life	42½	−⅞
Affiliated Publ	10	
Aflac	26½	−⅛
Ahmanson (HF)	16¼	−⅛
Air Prod & Chemical	42⅞	+⅛
Alberto-Culver B	26	+½
Albertson's	43¼	+⅛
Alcan Aluminum	19⅛	
Alco Standard	38⅛	+⅛
Alexander & Alex	19⅛	−⅛
Alex & Baldwin	27	−½
Allegheny Power	41¾	...
Allied Signal	51¾	−⅛
Aluminum Co of Am	68¼	−2⅛
Amax	17⅞	
Amdahl Corp	15¾	+⅛
Amerada Hess	38½	+2⅛
Amer Brands	45¼	
Amer Cyanamid	61½	−⅛
Amer El Power	31⅛	+⅛
Amer Express	22½xd	
Amer Genl Corp	41⅞	
Amer Greetings Cl A	41	+⅞
Amer Home Pr	77¼	+1
Amer International	86½	+⅞
Amer Natl Ins	35½	−1
Amer Stores	33xd	+⅛
Amer T & T	41⅞xd	+1⅛
Ameritech	57¼xd	+⅛
Ames Dept Stores	0.44	+0.06
Ametek Inc	16⅛	
Amoco	43¼	+⅛
Analog Devices	9¾	
Anheuser-Busch	55⅞	+⅞
Aon Corp	39⅞	−⅛
Apple Computer	59	+⅛
Archer Daniels	25⅝	−⅛
Arkla	8⅞	−⅛
Armco	5⅞	
Armstrong World	31⅛	−⅞
Asarco	26½	−⅞
Ashland Oil	32⅝	+⅛
Atlantic Richfield	99½	+1⅛
Auto Data Pro	43½	−⅞
Autodesk	31xd	−½
Avery Dennison	26½	−⅛
Avnet Inc	24½	+⅛
Avon Products	46½	+⅛
Bairnco Corp	7⅛	−⅛
Baker Hughes Inc	16	−⅞
Ball Corp	35⅛	+1½
Bally	6⅞	−⅛
Baltim Gas & El	30¼	+⅛

April 3	US$	+ or −
Conagra	27⅛	−⅛
Cons Edison	26⅞	+⅛
Cons Freightways	16⅛	−⅛
Cons Nat Gas	35⅛	...
Cons Paper	39½	−⅛
Cons Rail	80⅞	−⅛
Contl Bank Corp	16⅝	−⅛
Contl Corp	26¼	+⅛
Control Data	11⅛	...

April 3	US$	+ or −
Cooper Inds	53¾	−1
Coors (Adolph)	18	−⅛
Corestates Finl	43⅛	−⅛
Corning Inc	34⅝	+⅞
Crane	25	−⅞
Cray Research	39½	−1⅛
Crown Cork & Seal	92⅞	..
Cummins Engine	62¼	−⅛
Curtiss-Wright	30¼xd	+⅛
Cypress Semicond	13⅛	+⅛
Cyprus Minerals	22¼	+⅞
DSC Commun	5⅛	
DQE	28½	−⅛
Dana Corp	37⅞	−⅞
Data General	8⅞	−⅛
Dayton Hudson	60⅞	+⅛
Deere	49⅞xd	−1⅛
Delmarva Pow & L	21⅛	
Delta Air Lines	59¼	−½
Deluxe Corp	39½	−½
Detroit Edison	31⅞	...
Dial Corp Ariz	37⅞	
Diebold Inc	54⅛	−½
Digital Comms	19⅞	+⅛
Digital Equipment	52½	+⅛
Dillard Dept St	125⅞xd	+1⅛
Disney (Walt)	156½	−1
Dole Food Inc	32⅛	+⅛
Dominion Res	35⅛	
Donelley (RR)&Sons	50⅛	−1⅛
Dover Corp	40⅛	−⅞
Dow Chemicals	59⅞	+⅛
Dow Jones	29⅛	−⅛
Dravo Corp	9	−½
Dresser	19⅛	−⅛
Dreyfus Corp	35⅝	−⅞
Duke Power	32⅛	
Dun&Bradstreet	55¼	+⅛
Du Pont	46¼	−½
E G & G Corp	51⅝	
E-Systems	32⅛	+⅞
Eastern Enterprises	26	−½
Eastman Kodak	40⅛	−⅛
Eaton Corp	71⅞	−⅞
Echlin Inc	17⅛	−⅛
Emerson Electric	51½	−⅞
Engelhard Corp	35⅛	−1
Enron Corp	34⅞	+⅞
Enserch Corp	12⅝	+⅛
Entergy Corp	26⅞	−⅛
Ethyl Corp	26⅞	−⅛
Exxon	55¼	+⅛
FMC Corp	46½	+⅛
FPL Group	33⅛	+⅞
Fedders Corp	8⅛	+⅛
Federal Express	45½	−⅛
Federal Mogul	15¾	....
Fed Nat Mtge	62⅛	+⅞
Federal Paper Brd	30⅛xd	−⅞
Fieldcrest Cannon	19⅛	−⅛
Fina Inc A	69½	
First Bank Systems	25⅞	−⅞
First Chicago	28	+⅛
First Fid Bancorp	34	−⅛

April 3	US$	+ or −
InterTAN	23⅞	−½
James River Va	21¼	−⅛
Jefferson Pilot	54½	−⅛
Johnson Controls	39⅝	−1
Johnson & Johnson	98⅛	+⅛
K Mart	51⅛	−⅛
Kellogg	58½	+½
Kennametal	33⅞	+⅛

April 3	US$	+ or −
Kerr-McGee	37⅛	....
KeyCorp	45⅛	+⅞
Kimberly-Clark	52¼	−⅛
King World Prods	25⅛	...
Knight-Ridder	58¼xd	....
Kroger	17⅛	....
LSI Logic	7⅛	+⅛
Legget & Platt	44⅞	..
Leucadia Natl	45⅞	+⅛
Lilly (Eli)	72	+1⅛
Limited Inc	27⅛	−½
LIN Broadcasting	75⅝	+⅞
Lincoln Nat	55⅝	−⅞
Litton	96½	−⅞
Liz Claiborne	35⅞	−1⅛
Lockheed Corp	44⅝	+⅛
Loews Corp	106⅛	−⅝
Lone Star	[illegible]	..
Long Island Light	22⅝	
Longs Drug Stores	34⅝	+⅛
Loral Corporation	32⅞	+⅛
Lotus Dev Corp	33	−⅛
Louisiana Land	30	+1⅛
Louisiana Pacific	63⅛	+1⅞
Lowe's Co Inc	37⅛	−½
Lubrizol	65⅛	−⅛
MA Comm Inc	[illegible]	....
MCI Commun	32⅛	+⅛
Manor Care	15⅝	−⅛
Manville Corp	9⅛	+⅞
Mapco Inc	58⅞	....
Marion Merrell	32⅞	−⅞
Marriott	14⅞	−⅞
Marsh & McLennan	78	−⅞
Martin Marietta	53½	+⅞
Masco Corp	26½	−⅛
Massmutual Corp	26⅝	−⅛
Mattel Inc	33⅞	+⅛
Maxus Energy	6⅞	−⅛
May Dept St	58⅞	−⅛
Maytag Corp	18⅞	+⅛
McCaw Cellular	28½	+⅞
McDermott	20⅝	−⅞
McDonalds	41½	+⅞
McDonnell Douglas	59⅞	−⅛
McGraw Hill	60⅞	−⅛
McKesson Corp	32⅛	....
Mead Corp	35⅞	
Medtronic	74⅛	+⅞
Mellon Bk	36⅞	−1½
Melville Corp	48⅛	−⅛
Mentor Graphics	16⅛	+½
Mercantile Stores	36⅛	−½
Merck Inc	148⅛	+1⅛
Meredith Corp	26⅛	+⅞
Merrill Lynch	50¾	−1⅛
Mesa Inc	4.37	
Microsoft	117⅞	+⅛
Millipore	37⅝xd	....
Mine Safety Appl	45	...
Minnesota Mine	88⅛	+⅞
Mitchell Energy	16⅞	−⅛
Mobil Corp	59	+1
Molex Inc	30¼xd	−½

April 3	US$	+ or −
Pic'n'Save	17⅛	+⅞
Pinnacle West Cap	17⅛	−⅛
Pioneer Hi Bred	64xd	−1⅛
Pitney Bowes	63¼	−⅞
Pittston	15¼	−⅛
Polaroid	24⅞	−1
Policy Mgt Sys	68⅛	−⅞
Potlatch Corp	45¼	....
Potomac El Pwr	23½	+⅛

INDICES

NEW YORK

DOW JONES

	Apr 2	Apr 1	Mar 31	Mar 30	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Industrials	3234.12	3249.33	3235.47	3235.24	3290.25 (3/3)	3172.41 (2/1)	3290.25 (3/3/92)	41.22 (2/7/32)
Home Bonds	98.89	98.82	98.61	98.49	99.81 (6/2)	98.41 (20/3)	99.82 (6/2/92)	54.99 (1/10/81)
Transport	1366.59	1381.17	1383.78	1372.38	1467.68 (20/2)	1342.12 (2/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	203.62	204.49	205.62	203.87	225.59 (3/1)	202.55 (6/3)	236.23 (2/1/90)	10.50 (8/4/32)

◆Day's High 3277.06 (3262.52) Low 3209.08 (3202.37)

STANDARD AND POOR'S

	Apr 2	Apr 1	Mar 31	Mar 30	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	400.50	404.23	403.69	403.00	420.77 (15/1)	400.50 (2/4)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	477.10	481.30	480.15	479.41	499.27 (15/1)	477.10 (2/4)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	33.33	33.88	34.07	34.09	38.14 (15/1)	33.33 (2/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	221.51	223.42	223.25	222.99	231.85 (15/1)	221.51 (2/4)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	390.48	393.15	395.04	393.61	418.99 (12/2)	390.48 (2/4)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	593.82	602.09	603.77	602.07	644.92 (12/2)	580.45 (2/1)	644.92 (12/2/92)	54.87 (31/10/72)

	Mar 27	Mar 20	Mar 13	year ago (approx.)
Dow Industrial Div. Yield	2.86	2.80	2.84	3.53

	Apr 1	Mar 25	Mar 18	year ago (approx.)
S & P Industrial div. yield	2.64	2.62	2.61	2.88
S & P Indl. P/E ratio	28.56	28.78	28.91	17.95

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
UMS Energy	3,322,600	15⅞	− 5⅞
Transco Energy	2,972,900	9⅞	− 2⅛
Amer T & T	2,852,700	40⅞	+ ⅛
Citicorp	2,792,300	15⅛	− ⅛
Pepsico	2,189,600	34⅛	− ⅛
IBM	2,071,600	82¼	− ⅛
Ford Motor	1,861,500	39⅛	+ ⅛
RJR Nabisco	1,729,800	9½	− ⅛
Polaroid	1,653,300	25½	− 2⅛
GTE Corp	1,644,300	30	− ⅛

TRADING ACTIVITY

† Volume Millions	Apr 2	Apr 1	Mar 31
New York SE	185.110	182.102	168.404
Amex	16.350	15.666	13.392
NASDAQ	194.636	180.172	192.047
NYSE			
Issues Traded	2,198	2,207	2,232
Rises	600	667	902
Falls	1,095	1,039	784
Unchanged	503	501	546
New Highs	25	22	24
New Lows	44	41	27

WORLD STOCK MARKETS

AMERICA

Disappointing job data put Dow under pressure

Wall Street

THE DOW Jones Industrial Average threatened to break below a key support level at 3,200 after disappointing employment numbers triggered a spate of early selling, *writes Patrick Harverson in New York.*

By noon the Dow was down 22.36 at 3,211.76 in NYSE turnover of 88m shares. The more broadly based Standard & Poor's 500 was also lower, down 2.24 at 398.24, while the Nasdaq composite index of over-the-counter stocks slipped 5.31 to 588.51.

The keenly awaited March employment report showed a 19,000 rise in *non-farm payrolls* and a 34 per cent downward revision in the initially estimated 164,000 rise in February payrolls.

Although the civilian unemployment rate was unchanged at 7.3 per cent last month, overall the data were a blow to hopes that the economic recovery was well underway.

The disappointment at the jobs news unleashed immediate selling, and pushed the Dow close to 3,200. The index has been above that level all year, and analysts fear that if it drops below 3,200, a major correction is likely.

The employment data were welcomed by the Treasury markets, and by noon the benchmark 30-year government bond was up 1/16 at 101 1/16, yielding 7.867 per cent, and the *two-year note* was up ¼ at 100 3/32, to yield 5.346 per cent.

CMS Energy dropped another $1⅛ to $15¼ in turnover of 1.5m shares after Michigan regulators rejected a proposal on how much the company's consumer power unit should pay for electricity from a power generation venture half owned by CMS. The news prompted a spate of downgradings from industry analysts.

Broking stocks remained under pressure on fears that the recent boom in stock and bond offerings was over.

Merrill Lynch fell $1¼ to $50¾, PaineWebber lost $⅝ to *$19¾ and AG Edwards slipped* $⅝ to $23¼.

Canada

TORONTO stocks followed *Wall Street lower at midday, as* the 300 composite index fell 13.14 to 3,382.77 in volume of 12.7m shares.

ASIA PACIFIC

Index-linked buying helps Nikkei back above 18,000

Tokyo

THE NIKKEI average gained for the first time since Monday, rising on late index-related buying after falling through 18,000 earlier in the day, *writes Emiko Terazono in Tokyo.*

The index closed up 273.68 at the day's high of 18,559.71, but was still 5.5 per cent lower on the week. It tumbled to the day's low of 17,846.55 early in the afternoon, pushed down by a fall in the futures market, and lower bond prices.

Volume was unchanged at 350m shares. Dealers said that despite the rise in the Nikkei, other statistics indicated that sentiment was still bearish. Declines led advances by 545 to 419 with 112 issues unchanged, and the Topix index of all first section stocks fell 1.23 to 1,320.65. The second and over-the-counter markets also declined. In London, the ISE/Nikkei 50 index fell 2.75 to 1,054.7.

"I haven't seen sentiment as bad as this," said Mr Brian Tobin at SG Warburg Securities. Nippon Telegraph and Telephone, the benchmark for market sentiment, fell Y5,000 to Y600,000. Mr Tobin added that the falls were especially severe in the banking sector, where "investors have given up any hope of making money". Industrial Bank of Japan fell Y120 to Y1,660 and Fuji Bank lost Y120 to Y1,500.

The market found some comfort in the establishment of large-lot investment trusts which are expected to encourage liquidity into the stock market. Mr Nobuhiko Matsuno, director-general of the ministry of finance securities bureau, has asked the big four brokers – Nomura, Daiwa, Nikko and Yamaichi – and the Japan Securities Dealers Association to step up sales of these instruments.

Foreigners were seen buying international blue chips. High-technology issues were sought *on reports that the 4M D-RAM* market had bottomed out. Toshiba added Y18 to Y578 and Hitachi gained Y13 to Y774.

Tobishima Corp fell Y71 to Y535 on reports that it would make a net loss of Y45bn for the year to March 1992.

In Osaka, the OSE average fell 79.23 to 19,542.01 in volume of 34m shares.

Roundup

MARKETS in the Pacific Rim ended the week on a mixed note yesterday, following the volatility in Tokyo. Taiwan was closed for a holiday.

FT-ACTUARIES WORLD INDICES QUARTERLY VALUATION

The market capitalisation of the national and regional markets of the FT-Actuaries World Indices as at MARCH 31, 1992 are expressed below in millions of US dollars and as a percentage of the World Index. Similar figures are provided for the preceding quarter.
The percentage change for each Dollar index value since the end of the calendar year is also provided.

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	Market capitalisation as at MARCH 31, 1992 (US$m)	% of World Index	Market capitalisation as at DECEMBER 31 1991 (US$m)	% of World Index	% change in $ index since DECEMBER 31, 1991
Australia (69)	106339.7	1.52	108210.8	1.41	−3.72
Austria (20)	12090.6	0.17	11709.6	0.15	+3.19
Belgium (46)	51114.3	0.73	52652.3	0.69	−4.78
Canada (115)	140170.9	2.01	148201.5	1.93	−5.49
Denmark (36)	27089.4	0.39	31447.1	0.41	−14.37
Finland (15)	1598.1	0.02	1597.1	0.02	−0.67
France (106)	248199.6	3.55	243054.8	3.17	+2.52
Germany (66)	267296.1	3.82	265861.1	3.47	+0.63
Hong Kong (56)	103952.2	1.49	88544.7	1.15	+18.49
Ireland (16)	9581.7	0.14	10326.2	0.13	−7.26
Italy (77)	97369.9	1.39	103415.3	1.35	−6.44
Japan (473)	1823355.5	26.09	2358345.4	30.76	−22.72
Malaysia (68)	34081.4	0.49	30448.9	0.40	+11.06
Mexico (18)	47025.6	0.67	37621.3	0.49	+23.93
Netherland (31)	111401.7	1.59	113058.7	1.47	−2.17
New Zealand (14)	10882.3	0.16	11538.0	0.15	−7.10
Norway (24)	7067.4	0.10	7462.4	0.10	−4.05
Singapore (38)	22078.6	0.32	23841.9	0.31	−7.52
South Africa (61)	90845.2	1.30	96611.1	1.26	−7.32
Spain (51)	83751.8	1.20	86123.6	1.12	−2.69
Sweden (25)	26799.4	0.38	25948.5	0.34	+3.24
Switzerland (59)	116512.8	1.67	116829.8	1.52	−1.20
United Kingdom (232)	729065.3	10.43	793559.1	10.35	−8.67
USA (523)	2821768.3	40.37	2900655.7	37.83	−2.98
Europe (807)	1788926.3	25.59	1863045.6	24.30	−4.34
Nordic (100)	62542.3	0.89	66455.1	0.87	−6.01
Pacific Basin (717)	2100699.8	30.06	2620929.7	34.18	−20.00
Euro – Pacific (1524)	3889626.1	55.65	4483975.3	58.48	−13.49
North America (638)	2961939.2	42.38	3048857.2	39.77	−3.09
Europe Ex. UK (575)	1059860.9	15.16	1069486.5	13.95	−1.12
Pacific Ex. Japan (244)	277344.3	3.97	262584.2	3.42	+4.30
World Ex. US (1718)	4167667.8	59.63	4766409.3	62.17	−12.82
World Ex. UK (2009)	6260370.8	89.57	6873505.8	89.65	−9.13
World Ex. So. Af. (2180)	6898590.9	98.70	7570453.9	98.74	−9.11
World Ex. Japan (1768)	5166080.6	73.91	5308719.5	69.24	−3.04
The World Index (2241)	6989436.1	100.00	7667065.0	100.00	−9.09

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FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY APRIL 2 1992								WEDNESDAY APRIL 1 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991/92 High	1991/92 Low	Year ago (approx)
Australia (69)	143.08	−1.0	122.62	121.10	122.37	124.23	−0.7	4.44	144.45	124.23	122.63	124.14	[illegible]	[illegible]	[illegible]	137.70
Austria (19)	169.44	−0.2	145.21	143.42	144.92	144.95	−0.7	2.00	169.81	146.03	144.16	145.93	[illegible]	[illegible]	[illegible]	202.40
Belgium (46)	138.00	+0.8	118.26	116.79	118.02	115.37	+0.4	5.19	136.91	117.74	116.22	117.66	[illegible]	[illegible]	[illegible]	141.81
Canada (115)	128.20	−0.3	109.67	108.51	109.64	110.70	−0.2	3.35	128.57	110.57	109.14	110.48	[illegible]	[illegible]	[illegible]	138.37
Denmark (35)	228.99	+1.0	196.25	193.62	195.84	198.63	+0.4	1.84	226.81	195.05	192.55	194.92	[illegible]	[illegible]	[illegible]	248.09
Finland (15)	74.55	−1.4	63.89	63.10	63.76	70.48	−1.7	2.07	75.62	65.03	64.20	64.99	[illegible]	[illegible]	[illegible]	121.82
France (108)	154.61	+1.4	132.50	130.86	132.22	135.15	+0.8	3.34	152.51	131.16	129.46	131.06	[illegible]	[illegible]	[illegible]	142.38
Germany (65)	118.28	+0.8	101.36	100.12	101.15	101.15	+0.3	2.28	117.36	100.93	99.64	100.86	[illegible]	[illegible]	[illegible]	111.57
Hong Kong (55)	204.80	+0.3	175.51	173.34	175.16	203.50	+0.3	3.92	204.12	175.54	173.28	175.43	[illegible]	[illegible]	[illegible]	156.45
Ireland (16)	151.78	+0.0	130.08	128.47	129.81	132.10	−0.7	3.87	151.85	130.59	128.91	130.50	[illegible]	[illegible]	[illegible]	170.91
Italy (77)	71.53	+1.7	61.30	60.54	61.17	66.26	+1.2	3.50	70.30	60.46	59.68	60.42	[illegible]	[illegible]	[illegible]	82.29
Japan (473)	87.09	−2.5	83.20	82.17	83.04	82.17	−2.8	1.04	89.62	85.67	84.57	85.62	[illegible]	[illegible]	[illegible]	143.37
Malaysia (68)	234.86	+0.5	201.27	198.78	200.85	233.46	+0.2	2.71	233.74	201.01	198.42	200.87	[illegible]	[illegible]	[illegible]	240.26
Mexico (18)	1713.83	−0.9	1468.74	1450.59	1465.72	5732.00	−1.0	1.05	1729.66	1487.45	1468.36	1486.45	[illegible]	[illegible]	[illegible]	824.35
Netherland (25)	150.30	+1.1	128.81	127.21	128.55	127.05	+0.6	4.38	148.74	127.91	126.27	127.83	[illegible]	[illegible]	[illegible]	141.62
New Zealand (14)	42.99	−0.9	36.85	36.39	36.77	41.91	−0.7	6.55	43.40	37.33	36.85	37.30	[illegible]	[illegible]	[illegible]	46.52
Norway (23)	170.22	+0.8	145.87	144.08	145.58	149.37	+0.4	1.71	168.85	145.21	143.35	145.12	[illegible]	[illegible]	[illegible]	201.73
Singapore (38)	200.70	+0.2	172.00	169.88	171.64	153.30	+0.1	2.21	200.25	172.21	170.00	172.09	[illegible]	[illegible]	[illegible]	198.62
South Africa (61)	228.70	−0.6	196.00	193.57	195.59	175.09	−0.7	2.87	229.98	197.77	195.23	197.63	[illegible]	[illegible]	[illegible]	199.08
Spain (50)	149.68	+0.1	128.28	126.70	128.01	118.33	−0.3	5.08	149.50	128.57	126.92	128.48	[illegible]	[illegible]	[illegible]	182.42
Sweden (25)	185.63	+0.2	159.08	157.12	158.76	163.92	−0.4	2.76	185.18	159.25	157.21	159.15	[illegible]	[illegible]	[illegible]	195.32
Switzerland (60)	98.97	+1.1	84.82	83.77	84.65	92.13	+0.4	2.25	97.91	84.20	83.12	84.15	[illegible]	[illegible]	[illegible]	97.67
United Kingdom (228)	166.19	+0.2	142.42	140.65	142.12	142.42	−0.1	5.24	165.85	142.63	140.78	142.52	[illegible]	[illegible]	[illegible]	181.49
USA (523)	163.48	−1.0	140.10	138.38	139.82	163.48	−1.0	2.99	165.11	141.99	140.16	141.90	[illegible]	[illegible]	[illegible]	154.09
Europe (792)	140.31	+0.7	120.25	118.76	120.01	120.81	+0.2	4.03	139.38	119.86	118.32	119.79	[illegible]	[illegible]	[illegible]	144.73
Nordic (98)	171.94	+0.8	147.35	145.53	147.05	145.28	+0.0	2.22	170.96	147.02	145.13	146.92	[illegible]	[illegible]	[illegible]	188.37
Pacific Basin (717)	102.41	−2.2	87.77	86.69	87.59	87.11	−2.5	1.44	104.74	90.07	88.92	90.02	[illegible]	[illegible]	[illegible]	143.17
Euro – Pacific (1509)	117.78	−0.9	100.94	99.68	100.72	101.09	−1.2	2.67	118.81	102.18	100.86	102.10	[illegible]	[illegible]	[illegible]	144.16
North America (638)	161.25	−1.0	138.19	136.50	137.93	159.89	−1.0	3.01	162.81	140.01	138.23	139.94	[illegible]	[illegible]	[illegible]	153.04
Europe Ex. UK (564)	123.86	+1.0	106.15	104.86	105.95	107.89	+0.5	3.22	122.65	105.47	104.14	105.43	[illegible]	[illegible]	[illegible]	122.55
Pacific Ex. Japan (244)	154.94	−0.2	132.78	131.16	132.52	137.71	−0.2	3.94	155.25	133.51	131.82	133.43	[illegible]	[illegible]	[illegible]	139.90
World Ex. US (1703)	120.42	−0.8	103.20	101.93	102.99	103.56	−1.2	2.88	121.45	104.44	103.11	104.37	[illegible]	[illegible]	[illegible]	144.91
World Ex. UK (1998)	130.97	−1.0	112.24	110.86	112.02	119.95	−1.2	2.53	132.34	113.81	112.35	113.74	[illegible]	[illegible]	[illegible]	143.54
World Ex. So. Af. (2165)	133.42	−0.9	114.34	112.93	114.11	121.59	−1.1	2.81	134.64	115.78	114.31	115.72	[illegible]	[illegible]	[illegible]	148.59
World Ex. Japan (1753)	154.76	−0.4	132.63	131.00	132.38	144.99	−0.5	3.39	155.30	133.56	131.85	133.49	[illegible]	[illegible]	[illegible]	150.19
The World Index (2226)	134.04	−0.9	114.87	113.45	114.64	122.07	−1.1	2.81	135.28	116.32	114.83	116.25	[illegible]	[illegible]	[illegible]	146.91

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Latest prices were unavailable for this edition.
Constituent change with effect 6/4/92: Deletion: Auxiliaire D' entreprises (France).

France doffs beret to rise of Super Béré

Alice Rawsthorn on reactions to the fait accompli appointment of the new premier

IF YOU ask Parisian bankers or stockbrokers whether the outcome of next year's national elections will affect the French markets, the answer is almost always the same. Whether the socialists stay in power or not, they say, it will not make a scrap of difference so long as Mr Pierre Bérégovoy is in charge of the economy.

In his five years as finance minister, Mr Bérégovoy, or "Super Béré" as the French press calls him, has been as rigid in his grip of the economy – with his insistence on doing *nothing, but nothing, to risk* raising inflation – as even the most rabidly right wing of France's financiers could have wished him to be.

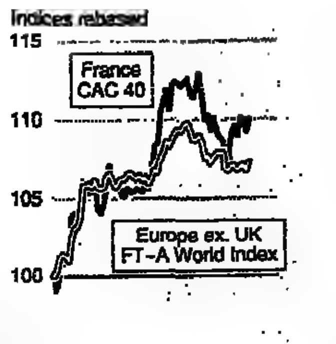
The news on Thursday that *Super Béré* was succeeding Mrs Edith Cresson as prime minister was greeted with great sighs of relief on the financial markets. Mr Michel Sapin might have moved into his old office at the finance ministry, but the markets did not doubt for a minute that, when it came to economic policy, Mr Bérégovoy would still be calling the tune.

"Before the announcement that Mr Bérégovoy had actually been appointed, there was always a slight risk that Mrs Cresson might stay on and insist on reflation, forcing him to resign," says Mr Christopher Potts, market strategist at Banque Indosuez in Paris. "That risk has now gone."

Given the depth of the markets' regard for Mr Bérégovoy, it seems surprising that their immediate reaction was relatively subdued. The CAC 40 index rose by a modest 0.72 per cent on Thursday and by 0.04 *per cent to 1,942.73 yesterday,* for a rise of 1 per cent on the week. Bond prices actually fell on Thursday after a lacklustre response to the Treasury's 10-year bond auction.

It was only on the money markets that Super Béré received a really rousing reception. The franc broke through the critical DM3.39 barrier on Thursday to end at a nine-month high against the D-Mark at DM3.3877, and strengthened slightly yesterday.

The reason for this muted response was that, by the time



Source: Datastream

President François Mitterrand had finally made up his mind who was to take over from his "little fighter", Mr Bérégovoy had been seen as the likeliest candidate *for so long that the* markets regarded his appointment as a *fait accompli.* Furthermore, the rumours of Mrs Cresson's dismissal had been so strong for so long, that the markets had dismissed her as more or less irrelevant.

When Mrs Cresson, whose socialism is of a much more idealistic stamp than that of the pragmatic Mr Bérégovoy, was first appointed last May, the markets did react – by diving downwards. Her comment shortly after her appointment – that she "didn't give a damn about the stock market" – did nothing to restore confidence.

"The market fell by 7 or 8 per cent in the period immediately after her appointment," recalls Mr David Harrington, French market analyst at James Capel in Paris. "But since last autumn, as soon as people realised that she was not likely to last long and *there would be no change in* economic policy, her effect has been neutral. By contrast, Mr Bérégovoy has always been seen as a positive influence."

Positive though the new *prime minister may be, the* French stock market seems set for a sluggish quarter. The combination of rising unemployment – to just under 10 per cent in February – and high interest rates is making companies cautious about investment and is depressing consumer confidence. James Capel expects a reduction of 7.5 per cent in the corporate earnings of the CAC 40 companies in 1992, compared with a fall of 5 per cent last year.

The underlying trends are much more encouraging. Interest rates are almost certain to fall if German rates are reduced in the autumn, thereby alleviating the pressure on industry.

French inflation, now running at 3 per cent, is still lower than any other major European economy. The official forecast, announced on Tuesday by Mr Bérégovoy *in one of his last* acts as finance minister, of 2.8 per cent for 1992 and 1993 suggests it will stay low for the foreseeable future. He also signalled that France was on *course for growth of 2 per cent* this year and 2.6 per cent next year.

"French companies tend to be conservatively run and should be in good shape when the pick-up comes," said Mr Potts of Indosuez. "Everything suggests that the long-term outlook for the French market is really very good."

EUROPE

Germany and Italy steady ahead of elections

ELECTIONS AT the weekend sent investors to the sidelines in Frankfurt and Milan while higher interest rates depressed *other continental bourses, writes Antonia Sharpe.*

FRANKFURT failed to continue Thursday's advance as buying interest dried up ahead of the weekend's state elections.

The results are not expected to have an impact on the stock market next week, since the opposition SPD party is likely to defend successfully its seat in Schleswig-Holstein and any damage suffered by the ruling CDU party in Baden-Württemberg should be offset by support from its FDP coalition *partner. Only a serious loss for* the CDU would be seen as negative for the stock market.

The DAX index traded in a narrow seven-point range before closing 2.03 lower at 1,719.63, up 0.5 per cent on the week, while the FAZ index, calculated at mid-session, rose 1.29 to 702.24, for a rise of 0.9 per cent on the week. Turnover fell from DM6.2bn to DM4.5bn.

Blue chips were mixed, as Deutsche Bank fell DM3 to DM712 after its disappointing 1991 results on Thursday.

But Veba bucked the easier *trend, rising DM1.30 to* DM389.20 in good volume of 761,440 shares. The stock has added 3 per cent since March 25, when it announced a DM1 rise in its 1992 dividend to DM12. Dealers said the diversified electricity utility was also regarded as a potential takeover target, since it had no large shareholders to defend its independence.

MILAN closed mixed on position-squaring ahead of this weekend's general election, which could turn out to be a turning point in Italian politics. The Comit index rose 0.12 to 508.90, up 2.2 per cent on the week, in turnover estimated at near to Friday's L101.6bn.

Generali lent some support to the market, rising L100 to L29,400 but other leading blue chips were lower, with Fiat falling L45 to L4,185. San Paolo, which was listed on Thursday, fell L25 to L12,215.

STOCKHOLM fell on worries *about higher interest rates.* The Affärsvärlden General Index dropped 12.90 to 980.5, down 2.6 per cent on the week, in steady turnover of SKr409m.

Short-term interest rates have risen nearly 50 basis points since Thursday, on concerns about a rise in Swedish capital outflows and higher interest rates in Finland.

HELSINKI had a turbulent day on speculation over a further devaluation in the markka. The HEX index ended 1.6 per cent higher at 801.4.

ZURICH *concentrated on* Roche after the pharmaceutical company announced an unexpectedly strong 56 per cent rise in 1991 group profits to SFr1.48bn. Roche certificates added SFr40 to SFr3,120 but closed below the day's high on profit-taking. Roche bearers added SFr50 to SFr4,350.

The SMI index eased 8.9 to 1,829.1, depressed by firmer interest rates and a weaker Swiss franc, but was little changed on the week.

AMSTERDAM closed mixed as a weaker dollar and a drop on the London stock exchange weighed on international stocks. The CBS Tendency Index fell 0.5 to 124.7 but was steady on the week.

Heineken closed Fl 1.90 higher at Fl 191.20, off an early high of Fl 193.50. The brewer said yesterday that it planned to export beer to Germany *from 1993. But some analysts* were worried that Heineken's problems in Spain would bring additional costs which were not yet provided for.

MADRID was unable to shake off this week's gloom, as the general index fell 2.12 to 250.55, down 2.4 per cent on the week.

OSLO *was dragged down by* shipping stocks. The all-share index dropped 4.79, or 1.1 per cent, to 415.76 in moderate turnover of NKr245.94m. Bergesen was one of the day's biggest losers, falling below NKr100 for the first time since early 1991. Its A shares fell NKr3 to NKr97.50 while the B shares shed NKr5.50 to NKr97.00.

BRUSSELS continued to focus on retailers, which accounted for more than one third of the day's turnover of BFr580m. The Bel-20 index *closed down 4.47 to 1,188.55, lit*tle changed on the week. Colruyt closed up BFr10 at BFr4,755, GIB added BFr4 to BFr1,376 and Delhaize closed down BFr80 at BFr9,330.

FT-SE Eurotrack 100 - Apr 3

Hourly changes

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm	close
1147.78	1147.56	1145.55	1145.81	1145.95	1145.85	1145.73	1144.60

Day's High 1147.91 Day's Low 1144.27

Apr 2	Apr 1	Mar 31	Mar 30	Mar 27
1149.08	1141.13	1149.80	1145.80	1140.84

Base value 1000 (26/10/90)

SOUTH AFRICA

JOHANNESBURG fell ahead of the long weekend. Industrials fell 15 to 4,389 and golds lost 13 to 1,087. The overall index dropped 12 to 3,486, down 1.9 per cent on the week. De Beers defied a strong financial rand, rising 60 cents to R84.50.

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
8pc 1992	‡‡	99 13/16xd	—	99 15/16	95 15/16	8.02	–
10½pc Cv 1992	‡‡	100xd	+1/32	103 11/16	98½	10.50	10.22
3pc 1992		98	+1/16	99	91⅝	3.06	8.16
Exch 12¼pc 1992		100⅞	−1/32	102⅜	100⅞	12.20	10.96
13½pc 1992		101⅝	−1/32	104⅛	101⅝	13.28	10.81
Treas 8¼pc 1993		98⅛	−1/16	98⅞	94	8.41	10.51
10pc 1993	‡‡	99⅞xd	−1/16	100¼	97⅜	10.07	10.73
12½pc 1993	‡‡	101⅞	−1/32	104¼	101⅞	12.26	10.83
Funding 6pc 1993	‡‡	95⅝	−1/16	96⅜	89¾	6.30	9.86
Treas 13¾pc 1993	‡‡	104⅞	−1/32	108⅝	104⅞	13.17	10.75
8½pc 1994		96¼	−1/32	98½	92⅞	8.78	10.49
14½pc 1994	‡‡	106⅞	−1/16	111¼	106⅞	13.63	10.85
Exch 13½pc 1994		105⅜xd	−1/16	109	105⅜	12.89	10.64
Treas. 10pc Ln. 1994	‡‡	98⅞	—	101⅝	96⅞	10.11	10.55
Exch 12½pc 1994		103⅞	−1/32	107¼	103¾	12.04	10.63
Treas 9pc 1994	‡‡	96¾	−1/32	99⅛	93¼	9.31	10.50
12pc 1995		103¾	—	106⅞	102⅜	11.61	10.56
Exch 3pc Gas 90-95		88xd	—	88	82¼	3.37	7.04
10¼pc 1995		99⅜	—	102⅞	96⅞	10.32	10.51
Treas 12¾pc 1995	‡‡	106⅝	−1/16	110⅞	105⅞	11.95	10.49
14pc 1996		110¼	+1/32	114⅜	109⅞	12.70	10.63
9pc 1992-96	‡‡	96⅜	—	100	92⅞	9.34	10.15
15¼pc 1996	‡‡	116xd	—	119⅞	115	13.25	10.64
Exch 13¼pc 1996	‡‡	108⅞	+1/16	112⅞	109	12.18	10.57
Conversion 10pc 1996		98¼	+1/32	102⅜	95⅞	10.13	10.33
Five to Fifteen Years							
Treas 13¼pc 1997	‡‡	110¼	+1/16	114⅜	108⅞	12.02	10.47
Exch 10½pc 1997		100⅞	—	104½	97¼	10.41	10.26
Treas 8¾pc 1997	‡‡	94¼	+1/32	97⅞	90⅞	9.28	10.17
Exch 15pc 1997		118⅞xd	−1/16	123⅜	117	12.67	10.55
9¾pc 1998		98	+1/16	101⅞	93⅞	9.95	10.21
Treas 6¾pc 1995-98	‡‡	87⅛xd	+1/16	90¼	80⅞	7.75	9.62
15½pc '98	‡‡	123⅜	—	128⅞	121¼	12.64	10.40
Exch 12pc 1998		107⅞	—	112⅞	104¾	11.12	10.30

BRITISH FUNDS - Cont.

	Notes	Price £	+or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
Treas 9½pc 1999	‡‡	97⅞	—	101⅞	92⅞	9.76	10.02
Exch 12¼pc 1999		109⅜	—	114⅜	105⅞	11.18	10.27
Treas 10½pc 1999		101⅞	—	105⅞	97⅜	10.34	10.17
Conversion 10¼pc 1999		100½	+1/32	104⅞	96⅞	10.20	10.14
9pc 2000	‡‡	93⅞	+1/32	96⅜	89¾	9.60	9.96
Treas 13pc 2000		114⅜	+1/16	118⅞	110½	11.35	10.32
10pc 2001		99⅞	+1/32	104⅜	94⅜	10.02	10.03
14pc '98-01		115⅞	—	120⅜	113⅜	12.13	10.51
9¾pc 2002		98⅞	+1/32	103⅜	92⅞	9.89	9.97
9¾p 2002 C		98⅞	+1/32	103⅜	98⅜	9.77	10.00
10pc 2003		100⅞	+1/32	106⅞	94⅜	9.95	9.93
Treas 11½pc 2001-04		107⅜	+1/32	112⅜	102	10.73	10.25
Funding 3½pc '99-04		68¾	+1/16	69⅜	55⅛	5.05	8.95
Conversion 9½pc 2004		97⅞xd	+1/32	102¼	90⅞	9.77	9.89
9½pc 2004 A		96¼xd	—	102⅛	96⅞	9.88	9.89
9½pc 2005		97¼xd	+1/16	102¼	90⅞	9.76	9.86
Treas 12½pc 2003-05		116⅞	+1/32	122⅞	111	10.72	10.05
8pc 2002-06	‡‡	88	+1/32	90⅞	79⅞	9.36	9.83
Over Fifteen Years							
Treas 11¾pc 2003-07		111⅜	+1/32	116⅞	105⅞	10.58	10.04
8½pc 2007	‡‡	90¼	+1/16	93	84⅜	9.42	9.74
8½pc 2007 A		90⅛	+1/16	94⅞	89⅞	9.42	9.75
13½pc '04-08		123⅞	+1/32	130⅞	118⅞	10.91	10.04
9pc 2008	‡‡	94⅜xd	—	99⅜	89⅞	9.54	9.70
8pc 2009		86⅞	—	90⅞	80	9.32	9.69
Conv 9pc Ln 2011	‡‡	94⅛	+1/32	99⅞	89⅜	9.55	9.68
9pc 2011 B		94⅛	+1/32	99⅛	93⅞	9.57	9.68
Treas. 9pc 2012		44⅞	+1/16	99¼	44⅞	9.65	9.66
Treas 5½pc 2008-12	‡‡	65⅜	—	67¼	58⅞	8.39	9.84
7¾pc 2012-15	‡‡	82⅛	—	87⅛	76⅞	9.44	9.71
Exch 12pc '13-17		120⅞	+1/16	127⅜	113⅜	9.96	9.71
Undated							
Consols 4pc		40	+⅛	42⅛	37⅞	10.00	–
War Loan 3½pc	‡‡	35⅞	+⅛	38⅛	33⅞	9.81	–
Conv 3½pc '61 Aft		59⅛	+⅛	61⅛	57⅜	5.92	–
Treas 3pc '66 Aft		29¾	—	31½	28¼	10.08	–
Consols 2½pc		25⅛	+1/16	28⅞	23⅞	9.90	–
Treas. 2½pc		24¼	+1/16	28½	23⅞	10.10	–

BRITISH FUNDS - Cont.

Index – Linked	Notes (b)	Price £	+or -	1991/92 high	1991/92 low	Yield Int. (1)	Yield Red. (2)
Treas. 2pc '94	(102.9)	124⅜	−⅛	124⅞	115⅜	2.86	3.85
2pc '96	(67.9)	169⅜	−⅛	161⅞	158⅞	3.50	3.88
2½pc '01	(78.3)	144⅜	—	147¾	137⅜	4.15	4.44
2½pc '03	(78.8)	138⅝	—	142⅞	133	4.25	4.53
2pc '06	(69.5)	139¼	—	144	135	4.38	4.61
2½pc '09	(78.8)	128¼	—	131½	124⅜	4.44	4.64
2½pc '11	(74.6)	128⅞	—	130⅜	126⅛	4.44	4.62
2½pc '13	(89.2)	106¾	—	111⅞	105⅞	4.45	4.61
2½pc '16	(81.6)	112⅞	—	118⅞	112⅞	4.44	4.69
2½pc '20	(83.0)	107¾xd	—	113⅞	107⅞	4.43	4.57
2½pc '24‡‡	(97.7)	88⅞	—	96¼	88⅞	4.42	4.55

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for July 1991: 133.8 and for February 1992: 136.3

OTHER FIXED INTEREST

	Notes	Price £	+or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
African Dev 11¼ 2010		105⅜	+⅛	111½	95⅞	10.70	10.35
Asian Dev 10¼pc 2009		100⅞	+1/32	108⅞	91⅞	10.20	10.19
B'ham 11½pc 2012		103¼	—	106½	100½	11.20	11.10
Ireland Cap 8½pc '10		91	—	98¼	88½	8.90	–
9pc Cap 1996		92¾	—	96¼	92	9.17	–
13pc '97-02		108⅝	—	116½	108⅝	11.85	–
Hydro Quebec 15pc 2011		131⅞	+1/32	137½	120⅞	11.8	11.00
Int-Am Dev 12½pc 2003		113¼	+⅛	118⅜	105⅞	11.09	10.41
9¾pc 2015		95⅞	+1/32	101⅜	88⅞	10.27	10.24
Leeds 13½pc 2006		118¼	—	119½	110⅛	11.60	11.21
Liverpool 3½pc Irred		31	—	31¼	28	11.67	–
LCC 3pc '20 Aft		27½	—	28	26	11.11	–
Manchester 11½pc 2007		103¼	—	107¼	97½	11.27	11.06
Met. Wtr 3pc 'B'		64¼	—	66¼	62	4.77	9.93
N'wate Anglia 3⅞pc 2021		103¼	—	106¼	102	–	5.65
4⅛pc IL 2024		103¼	—	107⅜	103¼	–	5.35
[illegible] Mex States 16½pc 2008		121½	—	128	101	13.35	13.24

AMERICANS

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CONTRACTING & CONSTRUCTION - Cont.

ENGINEERING - GENERAL - Cont.

CANADIANS

BANKS

CHEMICALS

ELECTRICALS

ELECTRICITY

FOOD MANUFACTURING

HEALTH & HOUSEHOLD - Cont.

HOTELS & LEISURE

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS - Cont.

BUILDING MATERIALS

BREWERS & DISTILLERS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

ENGINEERING - GENERAL

ENGINEERING - AEROSPACE

ELECTRONICS

FOOD RETAILING

HEALTH & HOUSEHOLD

INVESTMENT TRUSTS

MEDIA

INVESTMENT COMPANIES

INVESTMENT TRUSTS - Cont.

MERCHANT BANKS

MISCELLANEOUS

METALS & METAL FORMING

OIL & GAS

MOTORS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIAL MATERIALS

PACKAGING, PAPER & PRINTING

PROPERTY

PACKAGING, PAPER & PRINTING - Cont.

STORES

STORES - Cont.

TELEPHONE NETWORKS

TEXTILES

MINES

MINES - Cont.

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

GUIDE TO LONDON SHARE SERVICE

FINANCIAL TIMES
Weekend April 4/April 5 1992

UK property group sets out its proposals for rescheduling

Heron discloses £100m losses

By Bronwen Maddox and Robert Peston

HERON International yesterday announced operating losses of £100m for the year to March 1992 – the first time in its 27-year history that Mr Gerald Ronson's private international property group has incurred losses.

The disclosure came when Heron asked 80 banks and some representatives of bondholders to reschedule payments on £950m of its £1.35bn of bank debt and bonds.

Bankers predicted that many lenders would reject the rescheduling terms, although they praised the "quality" of Heron's presentation on the proposed reconstruction.

One bank said bondholders would find it difficult to accept the terms because they were not being offered any "sweeteners". Another banker said there would be arguments about Heron's proposal that lenders to its UK subsidiary, Heron Corporation – which has £400m of debt – would not be asked to reschedule repayment of principal. Heron insists there is no question of rescheduling this debt since Heron Corporation has substantial net worth.

Under the proposal, £950m of bank and bond debt would be divided into two categories, "A" and "B". Interest on the A debt would continue to be paid and the principal repaid from cash generated by the ongoing businesses and asset disposals. The B debt would have interest rolled up and would be repaid once the principal on the A debt was paid. Much of Heron's principal payments would thus be rescheduled to the late 1990s.

Holders of £450m of Eurobonds are being asked to convert 60 per cent of their principal into A bonds and the rest in B bonds.

At the 90-minute presentation, Mr Ronson said accounts for the year to March 31 would show net assets had fallen to around £135m, compared with £585m at March 1991. The bankers, chaired by Barclays which is owed around £125m, then discussed the plan. Other members of the banks' steering committee are Royal Bank of Canada, National Westminster Bank, Manufacturers Hanover, the US bank soon to merged with Chemical Bank, and Bank of America.

The collapse in Heron's net asset figure will put it in breach of its banking covenants when the accounts are audited, so Heron is being forced to renegotiate the terms of its loans. However it insists that has enough cash to meet its obligations until the end of 1993.

Heron is not seeking any new borrowings. The entire investment property portfolio of around £1bn will be sold over the next seven years.

There was a £250m reduction in the value of the property portfolio, which includes £135m in write-offs on UK, French and Spanish development, and £38m on housebuilding land. An significant contributor to the decline in asset value was a £134m charge in respect of Pima, a US savings and loans business.

The balance of the decline came from £100m of operating losses and £100m in extraordinary charges and provisions for tax on property disposals, costs of selling property, and anticipated costs of debt renegotiation.

Italy sees signs of change ahead of saint's day poll

Robert Graham looks at the choices before voters

A RAIN of red sand on Rome, yellow snow in Sardinia. For a nation mistrustful of psephology but long accustomed to reading auguries, the portents of change are in the air as Italians prepare to go to the polls in tomorrow's general election.

Tomorrow is the saint's day of San Vincenzo Ferreri, and 23 of the 11,927 candidates celebrate their birthdays. But the only statistical certainty about the outcome is that, based on the 1987 results, those called Vincenzo, after the saint, stand 3.6 times less chance of being elected than the Guiseppes.

Family names count too. Mr Luciano Benetton, one of the four founders of Italy's best-known family clothing company, is hoping his name will ensure election as candidate for the small Republican party.

The elections are also a big test for the sentimental appeal of Italy's most infamous politician, Benito Mussolini, and the country's greatest actress, Sophia Loren. Ms Alessandra Mussolini, the 28-year-old starlet niece of Ms Loren and grand-daughter of Il Duce, is standing in Naples for the neo-fascist party MSI.

The appearence of the voluptuous Ms Mussolini has been ignored by the Italian press, though attention from the international media has created the impression she alone can solve Italy's problems of rising crime, institutional atrophy and a yawning public sector deficit.

The elections are the first real challenge to the post-war hegemony of the Christian Democrats and much is at stake. A sign of Christian Democrat efforts to pull out all the stops was the behaviour of Mr Enzo Scotti, the interior minister. In Naples, he was found distributing stencils to illiterates so that they can shade in their preferred candidates' names, thereby getting round a new rule obliging voters to spell these out.

Socialist party leader Bettino Craxi addresses a rally in Milan

In the early stages of the campaign Mr Scotti earned near universal ridicule for claiming a plot was afoot to destabilise the country following the Mafia killing of Mr Salvartore Lima, the Christian Democrat boss of Sicily. Even the ever cautious Mr Giulio Andreotti, the prime minister, dismissed the suggestion as a "worthless bit of currency".

A mixture of Italians' newfound wealth and the disappearence of the Communist party has taken the campaign off the streets. The mass meetings have gone. Television now dominates. This has lead to the banning, for the duration of the campaign, of at least one "unhelpful" programme on state-run but Christian Democrat-controlled RAI TV.

To convince voters that Italy can win not only Hollywood Oscars but also its place in Europe, RAI TV wheeled on Henry Kissinger and Mikhail Gorbachev to shower praise on the achievements of an ossified conservative administration.

The beggar who stands on one of Rome's main streets, displaying a sign "thinking is not begging", had a smart answer yesterday when asked for whom he would vote.

"Beggars are not choosers," he said with aplomb. But tomorrow 47m voters will choose.

Portugal applies to join ERM

By Patrick Blum in Lisbon and Peter Marsh in London

PORTUGAL made a surprise application to join the European Monetary System's exchange rate mechanism yesterday, underscoring its commitment to controlling inflation.

The escudo will join the ERM on Monday at a central rate against the D-Mark of Esc87.6, assuming Portugal's application is accepted by a meeting today of Community officials.

The move, which is unlikely to have any impact on sterling, will mean that all 12 EC members, except Greece, have their currencies pegged to the D-Mark within the ERM. The Portuguese currency, like those of Spain and Britain, will be allowed to fluctuate in a wide, 6 per cent band. All other units have a narrow, 2.25 per cent band.

The ERM is seen as a system for bringing down inflation by restricting opportunities for currencies to lose value. Portugal intends to join the mechanism at a relatively high central rate, signalling a desire to follow tough monetary policies.

The decision was announced yesterday by Mr Aníbal Cavaco Silva, the prime minister, after a special cabinet meeting.

The escudo's central rate will be Esc180 against the European Currency Unit (Ecu). A meeting today of the EC's monetary committee will review the procedures for entry and set limits for the escudo's links with the other currencies in the system.

The move was not expected until later this year or early in 1993 when inflation – 10.2 per cent at the end of February on an annualised basis – was expected to be substantially reduced. An official said it underlined the good performance of the Portuguese economy.

Criticism between Polly Peck administrators

By David Barchard

TWO administrators of Polly Peck International have publicly distanced themselves from the third, in the latest twist in the story of Mr Asil Nadir's electronics, fruit and leisure company which collapsed in 1990 with debts of £1.35bn.

But criticism of Mr Christopher Morris of Touche Ross by his fellow insolvency practitioners, Mr Richard Stone of Coopers & Lybrand Deloitte and Mr Michael Jordan of Cork Gully appears to have been intended to placate Turkish Cypriot sensitivities in the hope of eventually unlocking Polly Peck records and funds in Cyprus.

At a press conference on Thursday in northern Cyprus, Turkish Cypriot journalists were handed a press release prepared by leading counsel in which Mr Stone and Mr Jordan said a recent unsuccessful action by Mr Morris in the High Court in London against the Turkish Cypriot central bank was his sole responsibility, and statements and allegations by Mr Morris should not be attributed to them.

They said they particularly regretted the fact that Mr Morris, in his affidavit to the High Court, had described the Turkish army's intervention in Cyprus in 1974, which led to the division of the island, as an invasion.

The three administrators and the committee of Polly Peck creditors approved the contents of the statement earlier this week.

In London, Mr Morris denied he was offended by the remarks, saying: "There is no rift between the administrators. Everybody agrees that this is the right way forward."

The Turkish Cypriots are still furious at court action by Mr Morris which secured a freezing order against the central bank on £38.9m in November, overturned in the appeal court in London. The Turkish Cypriots are poised to launch a counter-suit for damages.

Along with their comments on Mr Morris, the two administrators said they had regained control of two Polly Peck hotels in northern Cyprus, Jasmine Court and Palm Beach, and had appointed Execumaster Hotels, an international hotel management group, to run them.

There were scuffles when the senior staff of the two hotels were asked to leave.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)			
Rises			
Badenwerk	276	+	4
Holzmann	1185	+	15
Ind Werke	338.5	+	9
Verein-West	345	+	9
Falls			
Hedelb Zem	[illegible]	–	12
Sud Chemie	535	–	10
New York ($)			
Rises			
Par Tech	8⅞	+	1
Falls			
CMS Energy	15¼	–	½
Edwards	23⅛	–	⅜
Jay Tech	10½	–	1⅝
Merrill Lynch	50¾	–	1¾
PaineWebber	19¾	–	⅝
New York prices at 12.00pm			
Paris (FFrs)			
Rises			
BIC	743	+	13
Essilor	411	+	15
Fonc Lyonn	680	+	20
Poliet	558	+	13
Printemps	762	+	19
Falls			
Cogifi	330.5	–	8.5
Tokyo (Yen)			
Rises			
Chugoku Marine	580	+	50
Falls			
Hyoko Bank	1030	–	140
Komatsu Fork	680	–	77
Nippon Carbon	650	–	100
Nippon Credit	6740	–	760
Tobishima	535	–	71
London (Pence)			
Rises			
Ex.Co.Lods.	55	+	8
Invesco MIM	72	+	5
Lightship	73	+	7
Redland	481	+	14
Scottish TV	750	+	40
Falls			
Atlas Conv.	580	–	203
Barclays	287	–	12
Blockleys	55	–	9
Brabant	33	–	8
Eastern Elect	197	–	14
Evans Leeds	108	–	7
Fisons	322	–	12
Grampian Hldgs	183	–	9
MTM	25	–	5½
Shaw (A.)	21	–	29
Tesco	242	–	7½

World Weather

UK today: Quite cold and windy in England and Wales. Dry and bright in the west, but cloudy with showers in the east. Scotland and Northern Ireland will be milder and mostly dry and bright, a little rain spreading from the north later.

		°C	°F
Ajaccio	F	19	66
Algiers	S	24	75
Amsterdam	C	8	46
Athens	S	17	63
Bahrain	S	22	72
Barcelona	F	16	61
Beijing	S	23	73
Belfast	C	7	45
Belgrade	F	18	64
Berlin	C	7	45
Biarritz	F	17	63
Birmingham	D	7	45
Blackpool	F	7	45
Bombay	S	30	86
Bordeaux	F	18	64
Boulogne	C	9	48
Bristol	C	7	45
Brussels	R	7	45
Budapest	S	14	57
Buenos Aires	–	–	–
Cairo	S	25	77
Cape Town	S	24	75
Cardiff	D	9	48
Chicago †	–	–	–
Cologne	C	10	50
Copenhagen	S	10	50
Corfu	F	17	63
Dallas †	S	7	45
Dublin	C	6	43
Dubrovnik	–	–	–
Edinburgh	C	7	45
Faro	S	18	64
Florence	F	15	59
Frankfurt	D	11	52
Geneva	F	10	50
Gibraltar	C	16	61
Glasgow	G	7	45
Guernsey	C	7	45
Helsinki	R	4	39
Hong Kong	–	–	–
Innsbruck	F	13	55
Inverness	R	9	48
Isle of Man	F	7	45
Istanbul	S	14	57
Jersey	S	9	48
Johannesburg	F	25	77
Las Palmas	S	22	72
Leeds	C	7	45
Lisbon	F	15	59
Locarno	F	8	46
London	C	7	45
Los Angeles †	C	16	61
Luxembourg	F	9	48
Madeira	F	19	66
Madrid	R	11	52
Majorca	S	18	64
Malaga	C	14	57
Malta	S	18	64
Manchester	C	7	45
Melbourne	–	–	–
Mexico City	F	25	75
Miami †	R	17	63
Milan	R	9	48
Montreal †	Sn	-1	30
Moscow	F	8	46
Munich	R	12	54
Nairobi	F	26	79
Naples	F	17	63
Nice	F	27	80
Newcastle	R	5	41
New Delhi	S	29	84
New York †	S	2	36
Nice	C	13	55
Oporto	F	13	55
Oslo	Sn	1	34
Paris	F	7	45
Perth	F	23	73
Prague	F	10	50
Reykjavik	C	6	43
Rhodes	S	17	63
Rio d'Janeiro	C	30	86
Rome	F	17	63
Salzburg	S	13	55
S'Francisco †	C	13	55
Seoul	F	20	68
Singapore	F	33	91
Stockholm	S	11	52
Strasbourg	C	11	52
Sydney	R	21	70
Tangier	R	14	57
Tel Aviv	S	23	73
Tenerife	S	21	70
Tokyo	S	20	68
Toronto †	C	-1	30
Tunis	S	26	79
Valencia	F	19	66
Vancouver †	S	10	50
Venice	F	13	55
Vienna	F	15	59
Warsaw	F	10	50
Washington †	S	0	32
Wellington	C	8	46
Zurich	R	6	43

Temperatures at midday yesterday † Noon GMT temperatures C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

THE LEX COLUMN

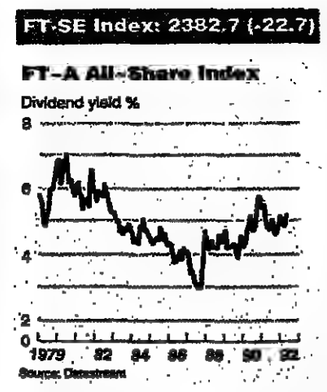
Divided on dividends

The main interest for investors next week might normally be the final leg of the current company reporting season. But though the next decisive move in the FT-SE clearly hinges on the next occupant of 10 Downing Street, the fundamentals should not be overlooked.

The news so far from companies with a December 1991 year-end has been mixed. Profits have perhaps been a touch worse than expected, owing mainly to harsh cost cutting and high provisioning. But balance sheets have emerged looking healthier than the predictions. Above all, the market's worst fears on the dividend front have not been realised. Financials were always the most vulnerable sector, and even there the shock of a completely passed final from Royal Insurance was offset by a mere two-thirds cut from Midland.

That said, the determination of managements to maintain payouts leaves the market badly exposed to a yet further prolonged recession. Even on a sharp bounce in 1992 earnings, very few capital goods stocks will show dividend cover of more than two times.

For bulls, the high yields on many industrials have turned shares into convertibles on an economic recovery. The danger is in believing there is no downside. Equally, the other great hope – that low inflation would justify higher multiples – does not seem borne out by the inclusion of Guinness and Cable & Wireless among the 10 worst-performing FT-SE stocks since Mr Lamont's Budget. Nor will it be while high real interest rates make it hard to value real growth in earnings.



Gilts

Mr John Smith's shadow Budget has already won top marks for sleight of hand by fudging privatisation receipts and introducing leasing for rolling stock on the North Kent line. So it would be natural for him to be preparing a list of similar wheezes for use in case he is chancellor in a week's time. One obvious choice would be to abolish the rule whereby purchases of gilts by banks and building societies do not count towards funding the PSBR. Such a change would not reduce the crude PSBR figure, but it could be funded with fewer sales of gilts.

The Treasury's long-standing objection is that the change would be inflationary, but no other industrial country shares this worry. Besides, at slightly under 6 per cent, the annual growth of M4 money supply is at its lowest point since 1970. If inflationary expectations were heightened, the effect on gilt yields would surely be offset by lower supply.

Annual purchases of gilts by banks and building societies currently amount to only about £1bn. That is small in relation to Mr Smith's expected PSBR of some £30bn. But, having burnt their fingers in the property market, banks might not need much persuading to step up their activity. The attraction to them is that holdings of government debt require minimal allocation of capital under Basle rules. The worry for the rest of us is that bank money diverted to Mr Smith would not be available to finance private sector recovery. The price could be a credit crunch if he decides to let himself off the funding hook too easily.

Waste Management

The coincidence of the election aside, it seems the market is nervous about the £465m flotation of Waste Management International. With offerings such as GPA, Wellcome, 3i, and the Daily Telegraph yet to come, a flop could have expensive consequences for the City. That is why Severn Trent Water's admission this week that its Biffa waste subsidiary is performing below expectations was unfortunate. Granted, the immature UK waste industry is scarcely comparable with its US equivalent and in any case has lost its premium rating. Nor does any UK company have anything near the market presence of WMI's US parent. But some UK investors are sceptical of the US-style multiple demanded for WMI shares.

There are deeper questions being asked of the issue, not least why the parent should sell its fast-growing overseas operations merely to pay off cheap debt. Promises of fast earnings growth for WMI sit uneasily with the lack of a profits forecast and a stated intention not to pay dividends at this stage. The prospectus also revealed over half the group's 1991 turnover was generated in Italy and Argentina. But perhaps this is academic. The flotation will probably succeed because the shares are attractive to US funds. UK investors who doubt WMI's merits can wait to be convinced – the multiple is unlikely to be much higher a year from now. Just the same, London's corporate financiers will be glad to put this sale behind them.

Currencies

Doubtless Sir Alan Walters thinks Portugal is making a terrible mistake in joining the ERM, but the escudo is too small to make much difference to the other members. Certainly, another high interest rate currency should not be too problematic for sterling which has managed to survive at its peseta floor for months. What matters most is the floor against the D-Mark and that is still six pfennigs away.

The British currency's weakness in the second half of this week owes as much to D-Mark strength in the wake of high German inflation figures and the anaemic US recovery as to domestic politics. Talk of higher base rates is premature to say the least. The markets may be looking for a display of determination immediately after the election, but higher rates would only become necessary if speculators actually sold sterling through its D-Mark floor. That would be rash when all three leading parties are committed to maintaining the DM2.95 central rate.

Heron International

The good news is confirmation that Heron International's problems stem mostly from the foolhardy adventures of its Pima Savings subsidiary in the US rather than anything in the UK. The bad news is that Heron and its bankers must be taking a gloomy view of Pima's real estate investments. No one would want to reschedule Swiss Franc bonds without good reason, least of all if there is still enough cash in the kitty to last the next 18 months. It is taking virtue rather far to attempt it just because asset writedowns have put the company in technical breach of its banking covenants.

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Weekend FT

SECTION II

Weekend April 4/April 5 1992

Keynes here, how can I help you?

*The election is over: a new prime minister has formed a coalition. But who will advise him how to pull Britain's economy out of the mire? He dials a long-forgotten number . . . **Lord Skidelsky**, biographer of Keynes, overhears the conversation*

PRIME MINISTER: Can you hear me?

John Maynard Keynes: I can hear you perfectly; the difficulty may lie in *you* hearing *me*.

PM: No doubt your mind has been on other things since you . . . er . . . left us.

JMK: We have an excellent newspaper service up here. The *Financial Times* is delivered every day.

PM: Well, then, what am I to do?

JMK: I thought you would ask me that. I do not envy you your task. You would not be in your present pickle had your predecessors used the telephone more frequently.

PM: I must tell you that many people down here blame *you* for what you call "our pickle". You taught us that governments could always spend their way out of depressions. We tried to do that. As a result we got high unemployment and rising prices at the same time.

JMK: I left you with an organised method for thinking about particular problems, not a machine for blind – or political – manipulation!

PM: It's always the politicians who get blamed . . .

JMK: The economists have been just as bad. They thought you could do everything by demand, and completely neglected supply.

PM: But you told them that!

JMK: Nonsense. You have obviously never read my *General Theory*. I taught that when there is heavy unemployment, an increase in spending can raise output and employment. But how the increase is divided between higher output and higher prices depends on supply conditions – the state of the labour market and the amount of capacity. I made certain assumptions about these things, which were perfectly valid in the 1930s. Only a lunatic, or someone whose common sense had been destroyed by econometrics, could suppose that these conditions would stay the same. If, for example, wage increases absorb the profit potential of expansion, you will simply get a rise in prices.

PM: But you were well known to be indifferent to inflation.

JMK: Wrong. I taught that capitalism requires stable prices, and that the future will not be like the past. Had you remembered these two things you would have been able to apply my theory properly.

PM: I am not blaming you. But we must start from where we are now.

JMK: Where you are now is that unemployment is approaching 3m and prices are still rising by 4 per cent a year. You have lost control over your interest rates and your exchange rate, the world economy is on its back, and your budget deficit is set to have inflation roaring away again.

PM: Thank you . . .

JMK: You made the fatal mistake of joining the European Exchange Rate mechanism before you had got your costs under control; exactly the mistake Churchill made when he put Britain back on the gold standard in 1925 – a decision I opposed. Fixing your exchange rate may be convenient; it should never be used to force wage adjustment. Any attempt to do so will always cause a fixed exchange rate system to break down.

PM: Does that means that we will have to devalue?

JMK: Some general realignment is probably inevitable. I have always believed that you have got to do the best you can in the situation in which you find yourself. So I will take the existing external constraint as given – just as I accepted the fact of the gold standard. You have made one good decision.

PM: What is that?

JMK: You have formed a National Government. That was only sensible in the conditions of a hung parliament. But it is also essential for what has to be done.

PM: Which is . . . ?

JMK: The first thing you must do is to knock out inflation. It is the continuing rise in wages and prices which makes the expansion of demand such a risky business. A policy aimed at reversing a *fall* in prices, such as I recommended in the 1920s and 1930s, cannot achieve its effect if prices are rising. So you have got to say frankly to the trade unions: "There is no hope of a sustainable recovery in output and employment unless inflation is brought down to zero and kept there. Either we can intensify unemployment through a policy of high interest rates. This will eventually slow the rate of increase in money wages, and thus in the cost of living. This has been the policy pursued over the last three years. But it is a hateful and wasteful policy, and brings no guarantee of improved employment. Or we can try to secure, by agreement, a one-year freeze on wages and salaries, followed by a year of severe restraint. It should take two years to achieve stable prices. The choice is yours. Can we agree a National Treaty to achieve this?'

PM: Suppose this could be done, and the policy works. How would you stop wage pressure from building up again in year three?

JMK: Believe me, it is much easier to keep inflation at zero than to bring it down to zero. Except in abnormal conditions, inflationary wage pressure is always induced by inflationary expectations. Eliminate the inflation, and you stop the wage-push. I predict that the first country in Europe to get its inflation rate down to zero will be able to keep it there. But of course, I would use the technique of the National Treaty to try to secure all kinds of improvements in the machinery of wage-bargaining. And you should certainly be prepared to put up taxes if prices showed a tendency to rise.

PM: Of course, if it could be done . . .

JMK: The beauty of the scheme is that if you could get inflation down to zero, Britain would be poised to regain the financial leadership of Europe. Sterling would replace, or at least join, the Deutschmark as the anchor currency of Europe. You would regain control over your own interest rates. The balance of forces in Europe would be entirely different. Here is a robust national response both to those who run to the Bundesbank to protect them against the alleged rapacity of the British worker, and to those who whine about German monetary imperialism. As you see, all my old patriotism stirs when I contemplate the decadence of the British capitalist class.

PM: What can I offer the unions in return?

JMK: First, a national commitment to eliminate inflation, backed by the authority of a National Government, would have an extremely favourable effect on business expectations. In the breathing space afforded by the wage freeze certain measures can be taken to expand demand, in addition to those already in the pipeline. There is some scope for an old-fashioned public works programme which would employ unskilled labour at a wage only moderately in excess of the current dole. My rough calculation is that 500,000 could be taken off the unemployment register fairly quickly, at very moderate cost, and without any risk of inflation. Incidentally, you should persuade your Labour colleagues to abandon the silly idea of a minimum wage, which is nothing but a tax on employment. In the long run you will have to put right the catastrophic failure in your system of education and training, unless 10 per cent of the working population are to be permanently forced to scrounge for a living, and the rest confined to a level of performance well below their capacity.

PM: But is there not a limit to how much a country can do for itself? As you said, the world economy is flat on its back. We need an international recovery to get our exports going again.

JMK: There I agree with you. Since the war the capitalistic system has been kept going by heavy armaments expenditure and the endless stimulation of wants by advertising and easy credit. The first factor is now coming to an end, and the second is highly fickle. Indeed, consumption demand has become almost as psychological as investment demand. Not only does this make the system even more unstable than it was in my day, but it has been obvious for two decades now that these artificial devices have been unable to maintain anything like full employment in the developed countries, except in moments of excitement. However, you now have a heaven-sent opportunity to revive the animal spirits of entrepreneurs.

PM: What do you mean?

JMK: Think back to the 19th century. A major source of demand for capital goods came through the opening up of new lands, with their requirements for transport systems, port and harbour facilities, agricultural machinery, energy, and so on. By the end of the 19th century this frontier had closed, and the Great Depression was in large measure a consequence of this closure. That is to say, the stock of capital goods had increased relatively to the demand for them, so that their marginal efficiency fell. Now the frontier has re-opened.

PM: I do not follow you.

JMK: I am referring to the collapse of Communism. The larger part of the capital stock of the former Soviet Union was built up to satisfy the demands of the military, regardless of cost and efficiency. It cannot be converted to peacetime uses, whether for export or private domestic consumption. No increase in agricultural production is possible if they go on designing tractors like tanks. The capital stock is mostly obsolete.

Technically speaking, the real demand for capital for the purpose of producing for private consumption has risen enormously relative to its supply. But for the foreseeable future much of the new capital equipment will have to be imported from the West, and Russia cannot pay, since it has nothing to export in return. Russia will not be able to borrow from bankers or private investors for some time to come. The risk is too great. The situation offers an unparalleled opportunity to jolt the Western world out of depression by re-equipping the former Soviet Union, entrenching the new world order by strengthening free institutions there, and in the long run producing a permanent expansion in world trade. But you must start by artificial assistance on a substantial scale, and trust the business will run itself afterwards.

PM: What is to be done?

JMK: The experts are talking about IMF quotas, stabilisation loans, balance of payments support, humanitarian aid, and so forth. Something much more imaginative is needed. I propose that a consortium of the G7 countries grant the former Soviet Union and its satellites a credit of about $100bn per year for two years, the money to be expended on purchases of capital goods from the donors, in agreed proportions, to promote agricultural production, and the renovation of their transport system and factories, with the purpose of relieving immediate hardship, and encouraging export later. The great attraction of this scheme is that it would set up an external demand on the capital goods industries of the West which would allow a simultaneous expansion of exports, the counterpart of which would be the import surpluses of the former Soviet system. It is the same combination of self-interest and altruism which inspired the Marshall Plan. Had the West lifted its sights and done this in 1922, as I proposed, the whole of the Bolshevik nonsense could have been avoided. Instead all they could talk about was Tsarist debts. You must not fail a second time.

PM: You have given me considerable food for thought.

JMK: I wanted to tell you about my vision of the good life. But that will have to wait. I have an appointment with my beloved Paracelsus. After that I leave for a galaxy many billions of light years away. We have had to impose direct rule on a planet there: they have been much more incompetent than you are. So you see, I am as busy as ever. But to be alive up here is very heaven!

■ *Lord Skidelsky is Professor of Political Economy at Warwick University. The second volume of his biography of Keynes will be published by Macmillan in October 1992.*

CONTENTS

A lean look for lean times: Lucia van der Post on the new silhouette which emerged at the Paris shows .... Page X

The Long View / **Barry Riley**

First victims of Maastricht

CAN EUROPE'S monetary structures stand the strain? Two of the European Community's biggest four countries face national elections in the next few days. A third, having just completed local elections in which the ruling party has performed poorly, has ousted its prime minister.

These events come against the background of poor economic performance, with growth of not much more than 1 per cent in the EC during 1991, and prospects little if any better for 1992. The average unemployment rate is around 10 per cent outside Germany. Bond markets throughout Europe have become apprehensive.

In Britain we are so obsessed with our own election campaign that it can be an effort to step back for a moment and look at the broader picture. Indeed, John Major's government has to bear responsibility for its own home-grown recession which relates to the domestic miscalculations from 1985 onwards. But the UK's recovery is threatened by a broader world slowdown which is affecting Japan and Germany, locomotives that until recently were still driving the global economy forward.

In the US, George Bush is facing re-election problems largely because of economic disappointments. At least Americans have the freedom to use a full range of economic policy options to stimulate a recovery. So have the Japanese, who this week unveiled an economic package including lower interest rates. In the EC this freedom no longer exists, monetary policy has been surrendered to the Bundesbank.

Only some four months after the intoxicating rhetoric and historical grandeur of Maastricht many of Europe's politicians are facing harsher local realities. In Italy, which votes this weekend, the damage may be no more than the emergence of some regional factions like the Lombardy League. But John Major seems likely to lose office, not because of any great popular enthusiasm about Labour but because too many voters face economic hardship.

Yet it is the problems in France that are probably most central to the growing European economic crisis of confidence. This was the country that in the early 1980s knuckled down to the challenge of curing its historical weaknesses of inflation and political instability. It has eased its inflation down to, and below, German levels.

Now that British borrowing levels are soaring France appears to be the only EC member state that can expect comfortably to comply with the famous Maastricht conditions for monetary union, including a budget deficit of no more than 3 per cent of GDP and total outstanding public sector debt of less than 60 per cent of GDP.

In the capital markets France has been rewarded with a steadily reducing premium in the rate it has to pay on its government bonds compared with the Germans. As for short-term interest rates, on three-month money the rate on French francs is only ¼ of a percentage point higher than on the D-Mark. The pound sterling pays 1½ per cent more, the lira 2¼ per cent and the peseta 2½ per cent.

For these very real achievements the French Socialists might have expected some electoral recognition, but they have not received it. Instead Jean Le Pen is on the warpath, feeding off unemployment and regional recession, and the Socialists face disaster in next year's national elections. This week Edith Cresson, the former premier, paid the price, admittedly for more than just economic misfortunes. Her successor Pierre Bérégovoy is well-regarded by the financial markets. His prospects in the country may be another matter.

European interest rates now stick out a mile from the global list. This week Japanese yen money rates fell to under 5 per cent, much in line with dollar rates, and half the level of even the keenest EC rates. The UK and France are bravely forecasting that economic growth will accelerate later this year but it seems fanciful to suppose that a recovery of any strength can be achieved while interest rates are so high. But interest rates are determined by what is going on in Germany, and there seems no early prospect of any relief from Germany's lethal combination of anti-inflationary zeal at the Bundesbank, which holds short rates up, and fiscal imprudence by the government which is maintaining bond yields high throughout the EC.

There is, of course, a conspiracy of silence about this in the British election campaign. All the parties are committed to maintaining sterling in the ERM at a central parity of DM2.95. This united stand has worked. Speculators have not dared to attack sterling on any scale during the campaign. But one-year money is at 11¼ per cent, showing that rates are regarded as more likely to rise than fall in the months ahead.

The Tories must carry the blame for the past, but if Labour forms the next government it will quickly acquire responsibility for any failure of the economy to recover. If parliament is hung that responsibility might be assessed against Labour in hard votes at a second election quite soon. What could be more natural than to form a common cause with the otherwise doomed fellow-socialists of France and hatch plans to confront the Germans?

For the time being Labour's leaders are maintaining their manifesto line. If interest rates have to go up after the election in order to maintain parity, they say, then so be it. They will do whatever is necessary. Before very long, however, the next British government may find itself facing a financial crisis. Bank shares are tumbling as concern grows about a new wave of bad debts, and there can be no adequate solution that does not include a sharp fall in interest rates.

Europe's leaders have invested a formidable amount of political capital in EMU, nobody more than Bérégovoy. But if they are ever to reach 1997 they must, as a first step, survive 1992.

FINANCE AND THE FAMILY

MARKETS

London Markets

The spectre of a debtor's prison

Peter Martin, Financial Editor

NEAR the FT's office stands an old-fashioned undertakers, all black marble and gloomy solicitude. In brass lettering, the shop-front offers you a choice of conveyance – "Horses, Motors" – for the final journey.

Such a choice, the markets seemed to be saying this week, lies ahead in Thursday's general election: different ways of reaching the same place, with discretion limited to speed and style rather than destination.

The likely destination can be found, appropriately enough, just behind the undertakers' premises, the site of the old Marshalsea debtor's prison. Long vanished, it is still vividly alive in Dickens's novel, *Little Dorritt*.

The 20th century equivalent of the Marshalsea is the bind in which the likely course of government borrowing threatens to leave the British economy. Moaning over a vanished investment, one of the novel's improvident speculators sounds as pitiful as any Treasury knight: "I have gone over it since it failed, every day of my life, and it comes out – regarded as a question of figures – triumphant."

Regarded as a question of figures, alas, there is little triumph to be found these days. In the March 1991 Budget, points out Nicholas Knight, Nomura's market strategist, the public sector borrowing requirement in the next half-decade was put at £26bn; now, the government hopes to keep it to £118bn – a rise of over £92bn in just 12 months. William Dorritt spent a lifetime in the Marshalsea for less.

These figures derive from last month's Budget, and explain the slide in share prices since then. This week, there was a sudden worsening in both stock and bond markets: the FT-SE index closed down 65.2 points on the week at 2382.7, and gilt yields have risen from 9¼ to 9¾ per cent since the campaign started.

Among shares, there were some specific factors at work. A £216m loss from Speyhawk, the property developer, sent its shares down 66 per cent on the week, to close at 3¾p. Bank shares suffered from this and other property news, and dropped 7 per cent. But the main influences were political: opinion polls showing a clear Labour lead.

It was always likely that UK investors would be spooked by this. But the market's judgment also reflects the growing sense that whatever party forms the next government will be faced with difficult decisions on economic policy.

There are some positive signs in the short term. Institutional investors, both in the UK and abroad, seem to regard the UK markets as undervalued at their current level.

The charts show why. On the left, the spread between gilts and German bunds has widened to levels that make the UK securities appealing. On the right, the ratio of the interest rate on gilts to the yield on ordinary shares has dropped enough to make equities look more attractive.

Neither of these indicators is yet flashing an unambiguous buy signal: but they are both providing strong support once the election uncertainties are out of the way. A clutch of UK institutional investors told one equity analyst this week that at current prices they would be buyers of stocks after the election regardless of the outcome.

The problems lie further ahead, and can best be examined by looking at the City consensus on three possible outcomes of the election:

■ **Conservative minority government.** Such a government would be looking for a quick boost to the economy, followed by a second election. It might just possibly be tempted into a devaluation this year, if the signs of recovery seen in the past few weeks failed once again to translate into a real pick-up in activity.

■ ***Labour majority government.*** With a workable majority, Labour would be settling *in for the long haul. It would* be interested in building a solid basis for recovery, to *allow it to be re-elected in mid-*decade. So no quick boost to the economy, other than the limited amount provided in John Smith's shadow Budget. Enacting Labour's tax plans might prove slightly negative for economic activity, if it proved as damaging for the south-east as some economists expect. There might be a possibility of a devaluation later in the government's life, if stagnation continued long enough to threaten re-election.

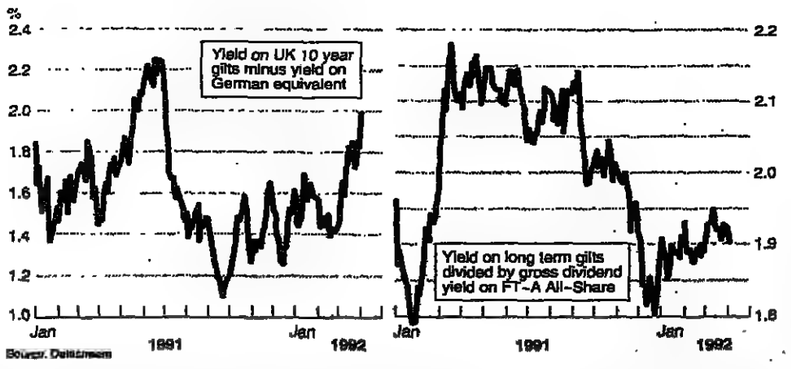
■ **Labour minority government.** Expecting a quick second election, and perhaps also dependent on Liberal Democrat votes, it might choose a modified version of the Smith tax plan, hitting high-earners less severely. The short term boost to the economy might be greater than under a Tory minority government, but devaluation would almost certainly be ruled out this year.

In all three outcomes, the risk is of slow growth in the medium term, accompanied by a rising PSBR and increasing difficulties in reconciling domestic economic policy with membership of the European Monetary System. The ultimate manifestation of this would be the strain of getting government borrowing down below the level needed to qualify for monetary union.

Any future Chancellor might find his European colleagues lecturing him much as the luckless Pancks is bullied in *Little Dorritt*: "You must be much sharper with the people, sir. *You don't squeeze them.* Your receipts are not up to the mark. You must squeeze them, sir . . . Duty, duty; *squeeze on* Monday, squeeze, squeeze, squeeze!"

Happy voting!

Two views of value



HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1991/92 High	1991/92 Low	
FT-SE 100	2382.7	-65.2	2679.6	2054.6	Election uncertainty
BP	242½	-12½	361	239½	Forecast cuts and dividend fears
Barclays	287	-35	489	287	Exposure to debt
Dixons	190	-27	274	125	Interest rate and political concern
Hammerson A	369	-36	685	369	Property slump
Kingfisher	459	-21	582	359	Rate and political worries
London Electricity	233	-20	295	206	Regulatory risk
MEPC	288	-35	556	288	Property slump
MTM	25	-49	290	21	Breach of banking covenant
Redland	481	+34	658	416	Figures, Steetley merger
Scottish Power	79	-14	119½	79	Political worries
Siebe	604	-32	650	289	Stock overhang
Speyhawk	3¾	-7¼	163	2¼	Technical bankruptcy
Sun Alliance	241	-29	408	241	Profits at the lower end of forecasts
Tate & Lyle	394	-20	443	283	Stock overhang

Serious Money

Banks can damage your fiscal health

By Scheherazade Daneshkhu

BANK-hopping – or, *more precisely*, the desire to bank-hop – afflicts most people from time to time. Usually, it takes the form of a despondent friend or acquaintance enquiring if you are happy with your bank since they want to leave theirs.

Many think the interest rates on their overdrafts are higher than at other banks, or that the level of service is below standard, but a few depositors also are worried about the strength of their bank's balance sheet and what it could mean for them.

Collectively, the Big Four banks – Midland, National Westminster, Barclays and Lloyds – had loan losses of £5.6bn last year, and none has been out of the headlines recently.

The news this week that Heron International, the property and finance group headed by Gerald Ronson, wants to reschedule £1.3bn of debt caused the shares of its most exposed UK lender, Barclays, to fall.

Barclays also has the biggest lending exposure of the large banks to Tiny Rowland's troubled Lonrho group and is also exposed to Olympia & York, the world's largest property group, which is developing the Canary Wharf project in London's Docklands but has debts of $20bn.

National Westminster's chief executive, Tom Frost, also resigned this week after the Department of Trade and Industry re-opened the affair of the botched Blue Arrow rights issue. NatWest has been going through dismal times, with pre-tax profits in 1991 down by 78 per cent to £110m due to some of the biggest losses ever incurred by a UK bank on domestic lending.

Lloyds, at least, has been doing relatively well compared with its peers, and actually increased its 1991 pre-tax profit over the previous year – despite a record loss on UK loans of £885m. But its position was strong enough for it to propose merger talks with the ailing Midland Bank.

Indeed, the Midland has been struggling harder and longer than the others following its disastrous acquisition of the US bank, Crocker, early in the 1980s.

It was exposed badly to Third World debt and in 1990 became the first UK bank since the 1930s to cut its dividend. But a fairy godmother came to the rescue when the Hongkong and Shanghai Banking Corporation made a takeover proposition almost a fortnight ago. The details have yet to be published but it seems likely that a deal will be worked out.

Depositors at the Midland may feel alarmed that their bank is likely to be taken over by an institution from so far away, even though the Hongkong and Shanghai is domiciled in the UK. But the Bank of England is expected to give regulatory approval to the deal only if it is satisfied that UK depositors will be protected.

How should customers regard such developments? There was a time when banks seemed to be as safe as houses; but just as that cliché has lost its meaning, so customers should be aware that these august institutions are subject to pressures which could be passed on to depositors.

Some Midland customers may be sceptical of the Bank of England's capacity to shield them from potential disasters, mindful of the losses caused to depositors when the Bank of Credit and Commerce International went under last year. *But it is almost inconceivable* that a government of any party could allow a Big Four bank to go the same way.

The same is not true of smaller institutions – indeed, there have been several failures of small regional UK banks in the past few years. But the real danger for clearing bank customers lies more with the increased costs of borrowing and less-generous rates of interest than the danger of collapse.

Already, the recession has caused large institutions such as the Halifax building society to introduce charges for across-the-counter withdrawals by customers with low balances in savings accounts.

Home-buyers also are finding that they are getting credit on terms far less generous – some would say, less foolhardy – than a few years ago. And it was the complaints by owners of small businesses over their borrowing rates that started a furore over banks' lending practices a few months ago.

So, most people will find that when the banks come under pressure, so do they. Under such circumstances, it is as well to realise when you are getting a particularly bad deal. For example, many home-owners who went to the centralised mortgage lenders (which were exposed particularly badly to the housing slump, since they do not take savings) are now finding they are paying rates well above the present standard of 10.95 per cent.

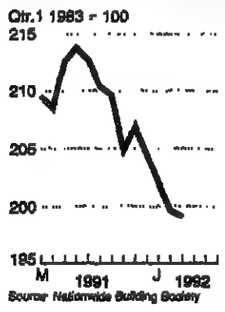
And if you have a lot of money in one institution, you might consider taking the advice given by Kevin Goldstein-Jackson in his Diary of a Private Investor last week.

He spreads money between a number of building societies so as to make the best use of the Investor Protection Scheme, which covers the first 90 per cent of the amount deposited up to a maximum of £20,000. The Deposit Protection Scheme for bank deposits is lower, covering only 75 per cent up to a maximum of £15,000.

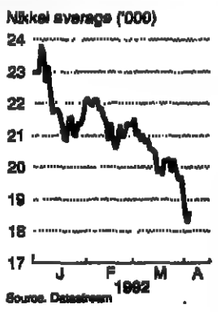
Hopping from bank to bank is probably not necessary. But some nimble footwork to keep a presence in several banks at once might repay the effort.

AT A GLANCE

UK house price index



Japan



Housing market still gloomy

The latest house price index from the Nationwide building society gives little cheer for the depressed property market. It showed a marginal fall of 0.2 per cent in house prices during March, and a fall of 4.9 per cent since March 1991.

Nationwide does, however, see some signs of hope. It reports that house prices have flattened after recent monthly falls. It also says that there were strong signs of increased activity in the market until the general election was announced. People now have their homebuying plans on hold until after April 9.

Nikkei slumps again

1992 has so far been a dreadful year for Japanese equities, as the fall in the Nikkei-Dow index shows. The Bank of Japan cut the base rate by 0.75 per cent to 3.75 per cent as part of a package of measures to stimulate the economy this week, but *the market responded by falling further.*

During the week, the Nikkei hits its lowest level since early 1987. Marketeers had treated the Bank's move with scepticism, and technical factors had also helped the fall. However, many analysts are now confident that the market should bottom out by June. Price/earnings ratios are now much lower than they were at the height at the height of the boom.

Fixed rate mortgage offer

Newcastle Building Society has launched a two year fixed mortgage at 10.45 per cent (12.1 per cent APR) with a maximum advance of 95 per cent on house purchase and 85 per cent on remortgages. There is an arrangement fee of £150 and £250 for *remortgages. Customers must take out building and contents* insurance and payment protection insurance from Newcastle.

Guaranteed equity investment

Shearson Lehman Brothers launched a new guaranteed equity investment this week. Using FT-SE futures and zero-coupon bonds, it offers investors a 3 per cent annual yield, plus the full gain in the FT-SE over five years. If the FT-SE falls, investors will receive their original capital back.

The FT-SE Fixed Assured Note (FAN) allows investors to choose to be repaid at a certain level. If they feel the FT-SE has peaked, and there will also be a secondary market in the notes which should give investors another option if they wish to sell early. A number of "guaranteed" equity products have been launched recently, and a free guide to them is available from advisers Brooks Macdonald Gayer, based in London W1.

Insurance and divorce

There could, alas, be strong demand for a new product from DBS Assured Services. Its Maintenance Protection Plan allows a woman to insure the life of her ex-husband, even without his knowledge or consent. As life insurance is rarely high on people's minds amid the acrimony of a divorce, any joint protection plans a couple may have taken out often lapse. The policy is underwritten at Lloyd's, and the protection costs £4.50 for every £1,000 sum assured.

Smaller companies slide

Smaller company indices reflected falls in the stock market this week. The Hoare Govett Small Companies Index (capital gains version) dropped 2.7 per cent from 1163.53 on March 26 to 1131.74 on April 2 and the County Smaller Companies index fell 2.8 per cent from 925.26 to 899.27 over the same period.

Wall Street

Dull results cloud sunny economic forecasts

THE FIRST quarter is over, the US economy is showing signs of life, but Wall Street is getting the jitters.

Yet just two to three weeks ago, the economic picture was looking rosier. Evidence of an economic recovery could be found in improved February employment, personal income, industrial production and home sales data. This was backed by anecdotal evidence that corporate confidence was improving and business activity picking up.

Although the brightening outlook failed to provide stocks with much of a lift, it at least kept investors happy as the market remained buoyant and share prices stayed close to record levels.

This week, however, doubts about the strength and depth of the recovery in the economy and corporate earnings resurfaced, as did concern that an overvalued stock market may be heading for a correction.

Investors also had one other potentially disruptive influence to consider this week – the declines in Japanese stock prices. Several years ago a week of dramatic losses in Tokyo might have created turmoil in New York, such was the extent of Japanese investment in dollar assets.

The steady repatriation of Japanese funds in the last two years has reduced the US market's vulnerability to nasty shocks in Tokyo. That said, Japanese investors still have billions of dollars invested in US stocks and bonds, and Wall Street knows only too well that a financial crisis in Tokyo could yet trigger large withdrawals of Japanese money.

Even if US investors were able to put aside their dark thoughts about Japan, there was enough at home for them to worry about this week. The first quarter reporting season approaches, and the market's complacency of the past month received a knock when several large companies warned that first quarter earnings would not be as good as hoped.

Bristol-Myers Squibb led the way on Tuesday with a statement that first quarter sales were not as strong as had been forecast, although the drug group did say it still expected profits for the three months to show a modest improvement on a year ago.

W R Grace followed suit the next day, the chemicals and energy combine warning that first quarter earning would be lower than the 36 cents a share it posted last year. The announcement shaved eight per cent off the stock price.

Polaroid shares also took a hit when the company said its opening quarter profits would be below last year's, while Immunex stock plunged 25 per cent after the drug company stunned analysts who had forecast a profitable quarter by alerting them that a loss would be posted for the period.

Discount warehouse retailer Price Co surprised the market with January-to-March earnings that came in well below analysts' estimates, prompting a wave of selling that wiped more than 20 per cent off the company's market value.

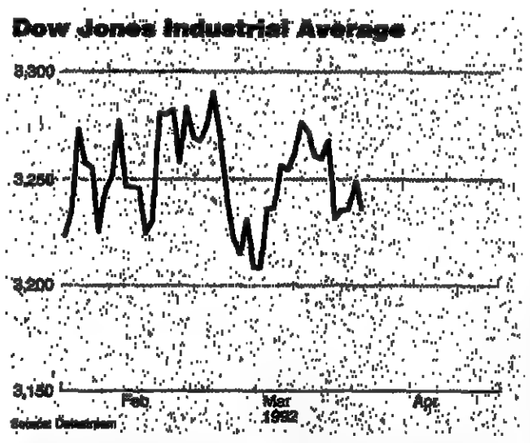
Although it is too early to tell if a pattern is developing, the profit warnings and earnings disappointments suggested optimism about the first quarter may have been overdone. The message from the share price declines in Bristol-Myers, W R Grace, Polaroid et al was that any companies which produce first-quarter shocks will be treated harshly by investors.

The market also had to contend with fresh revelations of trouble at giant Canadian property developer Olympia & York. As the biggest owner of property in Manhattan, and a once favoured client of US banks, the news that O&Y lacks the cash flow to make the repayments on its debts sent a shiver through the New York banking sector. Not surprisingly, the likes of Chemical, Bankers Trust and Citicorp were left with losses at the end of the week.

Even the high-flying broking stocks had a tough time. The week opened brightly with the news that the flood of stock and bond issues during the opening three months of the year lifted fees at the big securities and broking houses to record levels in the first quarter. By Thursday, however, investors were asking how long the party could last. Amid talk that investors' appetite for new stock is waning and that *corporate equity* and bond issuance has peaked, shares in Merrill Lynch, PaineWebber, *Morgan Stanley*, Bear Stearns and other listed brokers nose dived.

Patrick Harverson

Dow Jones Industrial Average



Monday	3235.24	+ 3.50
Tuesday	3235.47	+ 0.23
Wednesday	3249.33	+ 13.86
Thursday	3234.12	– 15.21

The Bottom Line

A tale of two fortunes . . .

THE OVERSEAS traders sector used to conjure up images of Somerset Maugham's rubber planters drinking gin *slings at the club.*

The sector was abolished in 1990, but two of its former denizens – *Harrisons & Crosfield* and Inchcape – reported results this week. Their fortunes have diverged in the 1990s; Inchcape's star rising, while recession has hit H & C.

Inchcape announced record 1991 profits on Monday of £185.2m pre-tax (£174m). H & C's profits fell by a third to £71.2m, and had to dip into reserves to hold its dividend.

This is a reversal of the *City's view of the two companies* in the late 1980s. Inchcape was regarded as an uninspiring *overseas trader, but H & C had* persuaded the City it was transforming itself from a *sleepy plantation company to a* go-ahead conglomerate.

H & C's history over the last *10 years has been one of man*aging change. It lost control of its Malaysian plantations when the government decided they should be in local hands. Between 1982 and 1989 H & C received nearly *£300m in cash* from the sale.

It had substantial funds to *reinvest, and it described its* policy as "highly selective diversity". It chose chemicals, where it already had interests; timber and building supplies based on its expertise in its Borneo timber business; and animal feeds, agriculture providing a link with plantations.

There have been a number of acquisitions: the biggest was the £116m bid for Pauls, the animal feeds group, in 1985; Southern-Evans, the timber company was acquired for £83.3m in 1988; and Crossley, *the builders merchants, for* £113m in May 1990. On Wednesday it said it would buy the *BOCM-Silcock animal feeds* company for £67m. Yet it was only plantations which *increased profits.*

Often, the group has appeared to promise much, but *failed to deliver. Criticisms* centre on the timing of acquisitions, with some of the chemi*cals and building supplies busi*nesses bought at the top of the cycle. Animal feeds is a much *more defensive business and* analysts question whether now is the time to be buying – although the price of BOCM seems to enhance H & C's earnings straight away.

Inchcape also diversified, although most of its acquisitions have been smaller. It has *built an inspection and testing* division, for instance.

However, it is Inchcape's long-established activities that have provided recent growth. Inchcape's relationship with Toyota, the Japanese car maker, dates back 25 years in the UK. Its motors business – which made nearly 60 per cent of operating profits in 1991 – accelerated in the late 1980s *and has held up in the reces*sion. It is now set to jump following the £383m takeover of Tozer *Kemsley & Millbourn.*

Marketing and distribution is another of Inchcape's base businesses, and that *division* has increased operating profits from £22.3m in 1986 to £57.2m in 1991. Inchcape distributes Barbie dolls in Japan, Coca-Cola in Chile and Kelloggs cornflakes in Bahrain.

Inchcape's success – but also its weakness – is in handling other people's brands. *Manufacturers get uneasy* when others make money from their goods – for instance, *Inchcape's stake in the Rolex* watch business in Singapore has been cut.

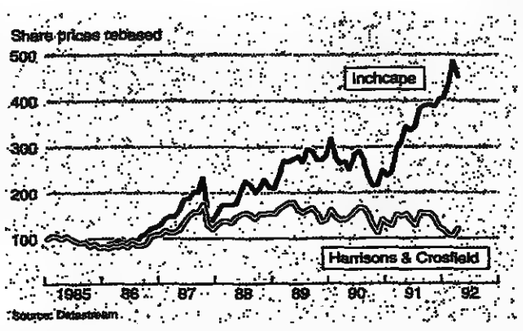
Although Inchcape has generally been successful in finding new concessions to replace those it loses, it does lower the quality of earnings.

The big question is over the motors side, especially after moves by Volvo, Nissan and Volkswagen to take control of the UK distribution of their cars. In 1990 Toyota paid Inchcape £60m for a stake in Toyota (GB), the UK distribution company, which will rise to 51 per cent in 1998. Inchcape *will* lose control of one of its best businesses, although it will have 49 per cent of what *will be a larger company.*

Inchcape also acts for Toyota in Belgium and Greece, and it is *conceivable that Toyota* might want to take control of all its EC distribution.

Inchcape's *share* price appears to ignore such concerns. Meanwhile, the cloud over H & C hides the likelihood of a cyclical recovery in profits. Its shares rest only on its 9.8 per cent yield. It may be time for another reversal of the two companies' fortunes.

Maggie Urry



Tax: what the parties are planning for you

But will it hurt your wallet or leave you with a smile come election day? ***Scheherazade Daneshkhu*** *and* ***John Authers*** *examine the figures*

The general election campaign has transformed the arid subject of personal finance into a heated political issue. Both leading parties have made sweeping claims: Labour says its plans would make "eight out of 10" taxpayers better off while the Conservatives reply that everyone would pay an annual average of £1,250 more under Labour.

They cannot both be right. Indeed, accountant Coopers & Lybrand Deloitte concluded this week that all parties – including the Liberal Democrats – would have to raise income tax to meet their spending programmes.

So what exactly will the parties do to the tax system if they win next Thursday? Labour and the Liberal Democrats both intend to alter the tax structure and make it more redistributive in order to fund social security and education. The Conservatives want to expand the 20 per cent basic-rate income tax band introduced in the Budget.

But it is not only income tax which determines your disposable income. Increases in state funding for health, education and benefits will also make a material difference to most people. VAT at 17.5 per cent eats into disposable income while direct taxation other than income tax – including capital gains and inheritance tax – have had less publicity.

With less than a week before election day, here is a quick guide to the parties' plans.

■ Income tax

In his election Budget, Norman Lamont introduced a 20 per cent tax band on the first £2,000 of earnings. The dual aim was to further the Tory goal of lowering taxes – and to squeeze Labour by stressing how the move would benefit the lower-paid. But the total saving is only £100 a year and it is not targeted just at the low-paid; everybody will get reduced tax bills. Lamont said this week the recession meant there would be little room for further cuts until 1995-96.

Labour plans two significant changes in personal taxes. An extra band of income tax, at 50 per cent, will be added for those earning more than £40,000 a year. It will abolish the annual ceiling on National Insurance contributions (NICs).

At present, these are 9 per cent on incomes up to £20,280. Under Labour, they would be paid at this rate on all annual income – effectively increasing by 9 per cent the marginal rate of tax for all those earning more than this figure. The combined effect of these measures would be painful for people earning in excess of £30,000.

But Labour also plans to raise thresholds, benefitting the lower-paid especially. Plans to levy NICs on investment income have been dropped. The party does not intend to abolish tax-exempt special savings accounts (Tessas) or personal equity plans (Peps).

By far the most ambitious income tax programme comes from the Liberal Democrats. They would integrate income tax and NICs. The 20 per cent tax band introduced by Lamont would be abolished and 1p added to the basic rate, making it 26p.

There would be three tax bands with the basic-rate band – 35 per cent – applying to earnings up to £33,000. Between £33,000-£50,000, the rate would be 42 per cent. Those earning more than this would pay 50 per cent (41 per cent income tax and 9 per cent NICs). The party estimates that 80 per cent of taxpayers would fall into the first band.

Pensioners and small savers would be exempt from NICs and a tax credit system would replace personal allowances.

Another sweeping change is replacing all savings schemes – such as Peps and Tessas – with a single savings account which would get tax relief and into which savings for pensions also would go. Labour intends moving in this direction as well, but its plans are much less clear-cut.

■ Capital gains tax

The Tories hope eventually to abolish CGT and the Conservative Way Forward group has called on Lamont to reduce the rate at which it is paid. But he played safe in the Budget and simply raised the annual exemption in line with inflation from £5,500 (for what is left of the present tax year) to £5,800 for 1992-93.

CGT was introduced in its present form by the first Labour government of Harold Wilson. It could reach its nemesis under a Kinnock Labour administration, which would make the amount of CGT payable depend on the length of time a share had been held. Those who retained their assets for a long period would pay less tax than those aiming to make quick profits by short-term "stagging."

This could be done by imposing two, or possibly three, tiers of taxation. Plainly, such a system would encourage long-term investment, in line with Labour's desire to stimulate industry. But Labour has committed itself to the reform only over the long term – the reason being its great complexity, which might open the way for accountants to devise avoidance schemes.

Labour's short-term plans are more prosaic. The CGT threshold will come down to something nearer the threshold for income tax – probably less than £4,000. This would be chargeable at the payer's top rate of income tax, subject to a maximum of 40 per cent.

Labour has consistently denied its opponents' claim that the threshold would be reduced to £1,000. Margaret Beckett, the party's treasury spokeswoman, says this figure is an "invention."

The Liberal Democrats would reduce the CGT threshold considerably and everyone would have a £2,000 allowance. They would also have a £2,000 investment income allowance to offset against the 9 per cent tax element of National Insurance. But transferability of half of an allowance (£1,000) from capital gains to income, or vice versa, would be allowed if either was not used fully.

■ Inheritance tax

While John Major wants a classless society, he also wants to see "wealth cascading down the generations." This statement, made at the Conservative conference last year, led many people to expect either the abolition of inheritance tax (see Professor Cedric Sandford's article on page V) or a reduction in the IHT rate.

But again, Lamont was cautious in the Budget. He said he intended to raise the annual exemption by more than inflation from £140,000 to £150,000 for the 1992 tax year and promised "to look for ways of lightening the burden of inheritance tax." In the Finance Act, it was indexed to £147,000.

Labour is planning root-and-branch reform in the other direction. It would base the tax on the beneficiary, rather than the donor, and assess it on a lifetime basis, so doing away with the present (and cumbersome) "potentially exempt transfers."

As Sandford explains, this would increase sharply the incentive to distribute wealth widely, but it is unlikely to happen in John Smith's first Budget.

Like Labour, the Liberal Democrats want to make the beneficiary, not the estate, liable for IHT. But their plans are costed more clearly.

This would be one of the few areas in which the wealthy could do better under a Lib-Dem government because it would be easier to avoid paying IHT.

Each individual would have a £50,000 IHT exemption. If an heir received £150,000, he would have to pay IHT on £100,000. But if it was left to three heirs, there would be no IHT. There would be exemptions or concessions for family businesses. Labour has not hinted what the level of exemption would be.

■ Pensions

Thatcherism shook the pensions industry into action. The big change was to create personal pensions, allowing an alternative to company final-salary schemes and widening choice substantially for savers.

Personal pensions have many attractions over Serps (the state earnings-related pension scheme). These include a big rebate of NICs for those who contract out of Serps, and the possibility of superior investment performance.

Those already in company schemes can take out additional voluntary contributions (AVCs) which are, in many respects, similar to personal pensions and can boost retirement income significantly. AVCs cannot be made to Serps.

The Tories will reduce the incentive for opting out, but their manifesto makes clear they aim to ensure personal pensions remain effective.

Labour would take pensions in the opposite direction. For a start, it has pledged that the basic state pension would rise by £5 a week for single people and £8 for married couples.

Serps would be revamped to offer a pension based on the best 20 years of earnings – especially useful for those who take a long career break. There would also be an increase in the maximum earnings that could be taken into account. Serps would be open to the self-employed and there would be provision for AVCs.

All of these measures remove advantages now held by personal pensions and might well lead to many savers moving back into Serps.

The Liberal Democrats plan an immediate improvement in state pensions which everyone would receive by right. Single pensioners would get £5 a week more and married couples £8. This increase would be funded partly through the abolition of Serps, although those with Serps entitlements would receive their pension from it.

In addition, all parties would have to implement equal retirement ages for men and women following a decision by the European Court. Under the Lib-Dems, the retirement age would be 65 for both sexes, with a "flexible decade of retirement" between the ages of 60 and 70. Labour would also opt for a flexible decade. The Conservatives are undecided.

HOW THE PARTIES WOULD AFFECT THE BETTER-OFF

Salary	CONS. £40,000	LAB. £40,000	CONS. £50,000	LAB. £50,000	CONS. £60,000	LAB. £60,000	CONS. £70,000	LAB. £70,000	CONS. £80,000	LAB. £80,000	CONS. £90,000	LAB. £90,000	CONS. £100,000	LAB. £100,000
+ CB	907	1,035	907	1,035	907	1,035	907	1,035	907	1,035	907	1,035	907	1,035
– TAX	(10,279)	(10,307)	(14,279)	(15,135)	(18,279)	(20,135)	(22,229)	(25,135)	(26,279)	(30,135)	(30,279)	(35,135)	(34,279)	(40,135)
– NIC	(1,699)	(3,347)	(1,699)	(4,247)	(1,699)	(5,147)	(1,699)	(6,047)	(1,699)	(6,947)	(1,699)	(7,847)	(1,699)	(8,747)
	28,929	27,381	34,929	31,653	40,929	35,753	48,929	39,853	52,929	43,953	58,929	48,053	64,929	52,153

FINANCE AND THE FAMILY

THE ELECTION AND YOU

The challenge to buy-backs

***David Ross** on some of the pitfalls involved with BES schemes*

WITH THE approach of the new tax year, not to mention the general election, BES schemes are being aggressively marketed by many sponsors.

"Buy-back" schemes are the most popular but they are under challenge from companies which plan to invest in residential property acquired from distressed sellers, company receivers or lenders who have repossessed houses.

The financial press has rightly warned of the risks this strategy involves, but to investors the presence of such risks *implies the possibility of* attractive returns.

Some potential pitfalls are obvious – for example the uncertain outlook for the property market, and the fact that such properties must by law be let out on the basis of assured tenancies, thus providing security of tenure to the occupier.

There has been little comment on an area of great uncertainty, and possibly of *greatest risk to the potential* investor – the possible conflict of interest between investors and the managers of the company. Such conflicts may not be uncommon.

Most investors will want to liquidate their holdings within five or six years, hopefully securing a useful return on their money in the process. But this might not *suit the managers*, whose objective may be less clear cut.

They might want to use the BES as a source of capital for a company which they envisage continuing for many years. If so, then the first question for the investor to ask is how he gets his money back.

If it is proposed that this should be achieved by a sale or flotation of the company, then he should be aware that this is only likely to be achieved at a substantial discount to the value of the underlying assets. Many quoted residential property companies are priced at discounts of around 50 per cent to the estimated value of the assets. That disincentive is hefty enough, but in fact it understates the problem, because the asset value is itself below the value at which the *underlying properties could be* sold if vacant possession could be obtained.

This discrepancy between valuation and achievable cash proceeds, makes it desirable that the remuneration of the management should be linked to the cash eventually returned to the investors, and *not* to a professional estimate of the *value of underlying properties.*

The ideal solution would be to let the properties to tenants who could be expected to quit before the date when investors want to liquidate their assets. In that case the properties could be sold with vacant possession – in other words, at the best available market price.

Failing that, the return to the investor will suffer from *the discount that prospective* purchasers will demand on negotiating for a property with a sitting tenant. Once tenants realise that the management company has an interest in their vacating the property at a particular date, they may seek compensation for doing so. In that case, the full vacant possession price will not be achieved, and the investor's return will again be eroded, *though not by so much as* would be the case if the tenant remained in situ.

Even if the remuneration of managers were treated in the way proposed, there are still potential problems. Most schemes define this remuneration in terms of the return achieved in excess of a prede*termined target. If this target* looks unlikely to be met, then there is an obvious disincentive to the managers. There are then three main choices:

- the managers may continue to manage in a lacklustre fashion, concentrating their efforts on better opportunities elsewhere;
- they may simply resign;
- or they may seek to renegotiate the terms of their contract.

None of these alternatives is likely to work to the investor's advantage, and the third is likely to erode their eventual return, either directly or indirectly. Even if none of these dangers materialise, a further conflict of interest may arise if the managers offer to buy out the investors: in such circumstances they may not be best motivated to find attractive offers for the assets from possi*ble alternative buyers!*

One way to avoid, or at least minimise, the impact of such conflicts would be the appointment of strong-minded and independent directors charged with *protecting the interest of* investors. Regrettably, only a small minority of companies has adopted this approach.

Ultimately, the major safeguard is the desire of *sponsor companies to retain an* unsullied reputation among investors and investment professionals. Some sponsors, controlled by larger insurance companies or investment advisers, may have a stronger incentive in this direction than others.

Many such organisations have concentrated their attention on "buy-back" schemes, which are safer and less controversial. This is unfortunate, because of the depressed state of the housing market.

Stay of execution surprises marketeers

LABOUR this week took the wind out of the sails of several BES marketeers by announcing a stay of execution for the scheme, writes **John Authers**. Labour confirmed that "abolition of the BES will not be backdated". This removes one element of risk for schemes which aim to allot shares by election day. The party added: "*Given the current state of the* housing market the Labour chancellor would be prepared to act flexibly. As BES abolition was not set out in the Shadow Budget this will not be regarded as a priority for immediate change."

Tim Villiers, chairman of the BES Association, welcomed this as excellent news, and said the scheme would probably survive until the second Budget of a Labour administration.

However, this lessens the incentive to make a hasty investment in a BES for the 1992-93 tax year.

Several schemes remain open for this form of investment, including **Besse Plus**, which is *sponsored by Close Brothers*, and has a covenant from Hill Samuel Personal Finance to buy back shares in five year at a price of £1.25 for £1 spent now, and **Short Leasehold**, sponsored by Terrace Hill, which aims for high growth and also high yields by buying short leasehold properties.

Good news hits M&G launch

M&G MUST think that every silver lining has a *cloud*.

The group announced this week that the launch of its Recovery investment trust had raised £129.8m. This was the second biggest investment trust launch, beaten only by M&G's own Income trust, launched last October.

The figure fell far short of expectations – M&G had aimed to raise at least £300m, with capacity for £1bn. However, the shortfall was thanks *to two items of excellent news* for M&G and the rest of the fund management industry.

Managers had long called for the annual limit on investment and unit trust Personal Equity Plans to be raised to £6,000. In the Budget on March 10 they at last got their wish.

Pep providers have also been running scared of a return to power by Labour, which at one time seemed set on abolishing the plans. But on February 13, the party made clear it would keep Peps in the short-term, and expand them in the longer term.

This was excellent news for the fund management industry. But it was bad news for the Recovery trust, which was launched to exploit a loophole for newly launched investment trusts and timed to allow investment in both tax years 1991-92 and 1992-93, thus protecting against Labour.

M&G had expected heavier investment for 1992-93 because demand for this year had already been soaked up by its Income trust. In the event, the group took more money for 1991-92. Next year, the option of putting £6,000 in a unit trust Pep, with no risk of sinking to a discount, or in an investment trust Pep, where bargains might be available if shares are already at a discount, will look much more appealing.

M&G admitted that the final returns were disappointing, but pointed out that the group had in six months completed the two biggest investment trust launches yet. Roger Jennings, marketing manager, said he was convinced that investors would be pleased with the trust's performance, and that the timing had been right to buy "recovery" stocks.

John Authers

The fund managers: an eye to the future

Brewis . . . objective

Bates . . . pragmatic

Horlick . . . challenge

THE October 1987 stock market crash had the side effect of sorting out good fund managers from bad. *Some fell* by the wayside while others flourished.

The managers described here are some of the most promising in Britain and were chosen on the grounds of reputation and performance. Most emphasised that good performance is often the result of collective wisdom, back-up from colleagues and a sensible asset allocation policy. But individual judgment and personality clearly is crucial.

Quite a few of those interviewed here have left their training ground recently and it will be interesting to see if they can perform as well on their own.

■ **Nicola Horlick** was one who thrived at Mercury Asset Management, which she joined in 1983. Initially, she ran balanced UK portfolios – large funds with widespread, fairly evenly-weighted holdings. In the mid-1980s, however, pension fund portfolios increasingly were managed by taking a core satellite of stocks, possibly indexed, as a base and leaving the rest of the portfolio as a more specialist section under "active" management.

Horlick, 31, helped to build up the specialist portfolio business. But as the operation became bigger, she was attracted by a fresh challenge at Morgan Grenfell, where she is again managing and market*ing specialist portfolios.*

She prefers to run relatively highly-concentrated portfolios and says: "If I have a fund of £100m, I would have about 40 stocks." Wendy Mayall, of pension fund consultant Stamford Associates UK, says that Horlick has achieved investment returns in the top five per cent of managers in her field since the mid-1980s.

■ **Andrew Parry** is the 29-year-old head of UK equities at Baring Asset Management. He is a maths graduate who became an actuarial trainee with Confederated Life before a brief spell in the international private client department of stockbroker Grieveson Grant.

He then spent three years in the Swiss Bank Corporation's relatively small investment department before moving to Baring in 1988 *as a UK* pension fund manager and now has 15 managers reporting to him.

Parry could well have succeeded in reversing Baring's disappointing performance late in the 1980s. Baring's equity returns last year were 21.2 per cent compared with an industry average of 19.9 per cent, according to Wood Mackenzie.

■ **Sarah Bates** has responsibility for about £600m of corporate and local authority pension funds at Invesco MIM. Over the last financial year, two of her local authority UK *equity pension funds ranked* fifth and sixth out of 100.

She was an analyst at stockbroker *Simon & Coates*, but she did not enjoy the sales side and moved to National Provident Investment Managers to become a fund manager, before going to MIM in 1985.

Bates studied for her MBA as a part-time student at the London Business School but retains a healthy scepticism about the qualification. She believes that "the days of the old-fashioned fund manager who gets by with flair and luck are fading."

■ **Richard Horlick** – Nicola's 33-year-old cousin by marriage – works at Newton, the independent fund management outlet, where he oversees £200m in pension fund money out of the total £2bn under management in pension funds, unit trusts and personal equity plans. From the results available to December 1991, 25 of Newton's 31 funds made the top quartile.

He joined Newton in 1983 after leaving Samuel Montagu's corporate finance department. And, clearly, he enjoys the relatively aggressive and high-risk approach at Newton.

■ **Mick Brewis**, 27 and a Cambridge graduate, has established a reputation with Edinburgh fund manager Baillie Gifford, which manages £2bn in UK equities. His smaller companies unit trust leads its sector over two years, a fact he attributes to the firm's philosophy of buying only well-managed, successful companies. He prefers to be in Edinburgh because "you can take a more objective view without being caught up by market fashions."

■ **Kevin Rowe**, 30, has a different approach; he uses quantitative computer techniques to assess risks and returns. As a founder member of *Buchanan* Partners, a small, independent outlet set up two years ago, he *also helped to establish* Credit Suisse First Boston's proprietary trading department.

Investors subscribe to Buchanan's funds, which are arbitraged on markets in Europe and the Far East. The annual return on Buchanan's equity investments last year was 40 per cent. Rowe, a Canadian, graduated from Toronto and took a master's degree in finance at the Massachusetts Institute of Technology.

■ **Stephen Whittaker** operates from a base in Henley, Oxfordshire, where he manages three UK unit trusts – Growth, PEP Growth and Income and Offshore UK Growth – at Perpetual, another independent fund management group. UK Growth ranks 12th out of all UK unit trust growth funds over the past two years, according to *Finstat*. Whittaker is also in charge of the UK investment team.

He joined Rowan, the in-house fund management operation of stockbrokers *Rowe & Pitman*, in 1980. Five years later he went to Save & Prosper unit trusts, where he moved away from the more general "bread and butter" funds to specialist unit trusts.

■ **Michael Taylor**, 31, is one of the most down-to-earth managers in the City and distrusts "anything flashy." He says: "My basic approach is that the UK economy is in terminal decline, certainly in the manufacturing sector."

After a grounding at Guardian *Royal Exchange*, Taylor ran pension funds for four years at Hill Samuel, staying well into the top 15 per cent over the period and often in the top 10. Since moving to Royal Insurance Asset Management as head of equities last May, there has been a marked upturn in UK equity performance (although Taylor points out that this had started before he joined). He also manages Royal Life's main life and annuity business fund himself.

The problem with fund management is that successful managers spend less time managing money and more on marketing. The trick is to do both. The next five years should show who has managed.

Heather Farmbrough

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Sector	Shares	Value	No of directors
SALES				
Admiral	Eins	124,100	395	2
Blick	Eins	293,250	953	3*
BPP Holdings	BusS	5,500	12	1
Brit Aerospace CRP	EngA	150,000	115	1
Brit Polythene Ind	Pack	34,790	146	2
Bryant Group	Cont	16,500	15	1
BTR	Othl	249,500	1,008	1*
Caird Group	Chem	2,635,778	2,241	1
Dewhirst (AN Vtg)	Text	30,000	13	1
Hall Engineering	EngG	34,000	46	1
Iceland Frozen Food	FdRe	1,080,000	5,076	4
Johnson Cleaners	BusS	19,667	120	1*
Leslie Wise	Text	110,000	73	1
London Int Group	H&H	10,000	29	1
Marley	Buil	10,000	12	1
MITIE Group	BusS	50,000	85	1
Mucklow	Prop	196,920	252	2
Pepe Group	Text	2,100,000	1,785	3
Sainsbury (J)	FdRe	15,000	58	1
Singer &Friedlander	Merc	138,000	60	1
TT Group	EngG	6,000	12	1
PURCHASES				
BET	BusS	20,000	25	2
Bristol Evng Post	Medi	9,600	28	1
Bucknall	Prop	253,334	35	5
Cable & Wireless	Tele	2,645	15	2
Clayhithe	Mell	56,787	20	2
Cluff Resources	Mine	75,000	14	3
Eurocopy	Misc	277,500	132	2
Gestetner	Misc	100,000	100	1
Global Group	Misc	550,000	44	3
Guardian Royal Exch	InsC	55,000	70	2
Needler	Buil	15,000	12	1
P & O (Defd)	Tran	375,000	1,554	2
P E International	Eins	110,000	92	2
Radius	Eins	23,000	11	1
Suter	Othl	10,000	11	1
Wickes	Buil	85,000	49	1
Willis Corroon	InsB	5,000	12	1

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (if it 100% subsequently sold), with a value over £10,000. Information released by the Stock Exchange 3-7 September 1992.

Source: Directus Ltd, Edinburgh

THIS WEEK'S column epitomises the opposing forces influencing *directors. On the one side there* is a fear of the potential impact a Labour administration would have on the trading environment, coupled with the threat of higher personal taxation. On the other is the feeling that economic recovery is near and shares are cheap. As a result there are almost as many purchases by directors as sales.

Shares in Iceland Frozen Food have proved rewarding over the last year, rising from 280p to 470p. However, all the main board directors, save for the one non-executive director, sold shares, realising more than £5m.

When six directors of Global Group sold a total of 7,150,000 shares at 24p 12 months ago, investors would have been wise to have followed suit. With the shares now languishing at 8p three directors have bought a modest 250,000 shares in total. In the year to December 1991 pre-tax profits fell 60 per cent.

It is rare for high-profile industrialists to make open market purchases – they usually acquire shares through executive options schemes. Lord Sterling, chairman* of P & O, the shipping and property concern, bought 250,000 deferred shares after announcing *better than expected final results.

Sector guide: Buil = Building Materials BusS = Business Services Chem = Chemicals Cont = *Contracting & Constructing* Eins = Electronics EngA = Engineering Aerospace FdRe = Food Retailing H&H = Health & Household InsB = Insurance Brokers InsC = Insurance Composite Medi = Media Merc = Merchant Banks Mine = Mines Misc = *Miscellaneous* OG = Oil & Gas Othl = Other Industrial Materials Pack = Packaging & Paper Prop = Property Text = Textiles Tran = Transport.

Angus MacDonald
Directus Ltd

The Week Ahead

RESULTS are beginning to come through from retail groups, whose financial years generally end later than other companies to take in the January sales. Monday sees figures from Laura Ashley and Tuesday from Next, fashion groups which have both been through difficult times.

Laura Ashley should report a small profit of perhaps £2m, compared to a £6.7m pre-tax *loss. But this will be wiped out* by exceptional items.

Next, which reported a £223m net loss last year, is expected to make £10m pre-tax this time, though reports of strong trading in the shops suggest a pleasant surprise. A final dividend is likely.

Tuesday also see figures *from Tesco, the supermarket* group, for its year to end February. Forecasts are for around £540m before taking account of profits on property sales, compared to £417.1m, showing that the food retailers are still beating the recession.

"Minus something large" was a typical analyst's reaction to a question about Costain's 1991 results. Estimates of pre-tax losses to be announced by the construction and mining group on Wednesday revolve around £30m, compared with a £5.5m profit.

While Costain might have made about £10m after paying *interest, the losses follow* writedowns in the value of housing land and a £12m provision for the Channel Tunnel contract. A below the line charge is also expected after the sale of the investment property portfolio.

Hope of a final dividend died some time ago. While gearing will have been helped by a rights issue and the property sale, some anxiety remains *about debt levels.*

Land write-downs also apply to **AMEC**, the construction and engineering group, which is expected to report pre-tax profits reduced from £63m to little more than £20m on Thursday.

Another to benefit from a rights issue last year, the remaining cash-in-hand should *enable it to maintain an uncov*ered dividend. It might even gain some praise for its tight control of cash on the contracting side.

Waterford Wedgwood, the crystal and ceramics group, is expected to post a full-year pre-tax loss of £12m on Tuesday. Brokers anticipate an £23m tax charge on profits in the ceramics division, making a post-tax loss of £25m and earnings per *share of around 0.6p.*

Queens Moat Houses, the hotel group, is expected to report full-year pre-tax profits on Wednesday of £92m, only slightly down on last year's £94m. The performance of its UK hotels will be watched with interest, as will any sign of a slow-down in Germany.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £ms**	Bidder
Prices in pence unless otherwise indicated					
Lawrence (W.) ‡	49½	49	23	24.08	Raine Ints.
Macarthy †	339§§	319	321	93.30	Lloyds Chemists
Penny & Giles	312§§	308	235	30.11	Bowthorpe
Polymark Intl	37*	36	34	4.33	Polyfinance
Do. Pfd. A	164½*	163	131	5.08	Polyfinance
Steetley ‡	419¾	419	274	655.38	Redland
Taveners ‡	165*	155	130	4.77	Tomi Fertilizer
Wilkes (J.)	166	152	177	27.45	Petrocen

*All cash offer. ††Cash alternative. §For capital not already held. ‡Unconditional. **Based on 2,300m shares 27/3/92. †At suspension. §§Shares and Cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Acsis Group	Dec	4,530 L	(4,940)	-	(2.3)	-	(0.4)
African Lakes	Dec	1,550	(1,550)	6.48	(7.77)	2.0	(2.0)
Alexon Group	Jan	11,300	(12,800)	22.1	(31.2)	10.6	(8.75)
Anglo Pacific Res	Dec	352 L	(1,670 L)	-	(-)	-	(-)
Ash & Lacy	Dec	4,810	(5,060)	13.12	(13.5)	6.4	(6.4)
Associated Fisheries	Dec	1,020	(3,390)	2.86	(12.64)	7.0	(7.0)
Avonmore Foods	Dec†	16,300	(13,300)	10.8	(9.0)	3.0	(2.75)
Baird (William)	Dec	25,100	(33,800)	16.5	(24.1)	8.9	(8.9)
Bilston & Baltersan	Dec	120	(335)	2.0	(5.1)	-	(3.0)
BNB Resources	Dec	2,600	(6,500)	8.3	(14.5)	4.9	(4.6)
Boxmore Int'l	Dec	3,080	(2,740)	23.9	(20.2)	8.95	(6.4)
Breedon	Jan	2,760	(4,890)	6.85	(10.7)	4.6	(4.6)
Brooks Serv. Group	Dec	645	(1,500)	3.6	(8.7)	4.05	(5.75)
Campari Internat.	Dec	4,770	(5,270)	37.29	(39.24)	12.0	(11.0)
Capital & Regional	Dec	367	(352)	1.25	(0.91)	1.0	(0.9)
Clarkson (Horace)	Dec	5,500	(7,400)	12.9	(19.4)	8.0	(8.0)
Clinton Cards	Feb	163 L	(5,000)	-	(20.4)	3.75	(5.25)
CMW Group	Nov	719	(373)	10.2	(11.9)	2.43	(2.8)
Computer People	Dec	1,010	(3,110)	5.48	(16.4)	5.4	(6.2)
Cornhill Insurance	Dec	39,600 L	(30,600)	-	(-)	-	(-)
Croda Int'l	Dec	21,300	(33,700)	10.9	(17.4)	7.5	(11.0)
Dawsongroup	Dec	1,130	(390 L)	2.7	(-)	1.6	(1.5)
Delaney Group	Dec	474 L	(825 L)	-	(-)	-	(-)
Edinburgh Fund Man	Jan	4,780	(4,160)	18.6	(15.9)	13.0	(12.0)
Ennex Int'l	Dec‡	6,210 L	(17,400 L)	-	(-)	-	(-)
Estates & General	Dec	2,300	(2,770)	4.59	(4.92)	3.75	(3.75)
Gardner (D C) Group	Dec	3,760 L	(2,110)	-	(8.0)	-	(4.5)
Garton Engineering	Dec	1,360	(1,000)	25.8	(17.1)	7.0	(7.0)
Gaskell	Dec	255	(1,330)	3.1	(16.1)	8.5	(8.5)
Gowrings	Dec	853 L	(432 L)	-	(-)	2.0	(3.25)
Great Southern Grp.	Dec	4,680	(3,220)	21.8	(14.7)	10.0	(8.5)
Harrisons & Cros	Dec	71,200	(106,100)	7.0	(11.6)	9.0	(9.0)
Hay (Norman)	Dec	2,180 L	(912)	-	(4.04)	1.14	(1.14)
Headlam Group	Dec	321	(458)	2.38	(2.9)	2.4	(2.4)
Hewden Stuart	Jan	15,050	(25,200)	5.35	(9.14)	3.15	(3.0)
Hickson Int'l	Dec	23,700	(27,700)	12.6	(16.4)	8.0	(8.0)
Hogg Group	Dec	15,800	(17,100)	15.0	(16.4)	8.15	(8.0)
Home Counties News	Dec	1,060	(2,890)	7.15	(18.5)	8.25	(8.25)
House of Lerose	Dec	3,630	(854)	39.5	(11.6)	10.3	(10.3)
HTV	Dec	441	(4,940)	-	(3.76)	3.75	(3.75)
Inchcape	Dec	185,200	(174,000)	28.5	(26.0)	12.5	(11.0)
Inishtech	Dec‡	7,090	(6,210)	38.4	(33.3)	5.5	(5.0)
Jacobs (John I)	Dec	612	(999)	1.9	(3.63)	1.9	(2.9)
Johnson Press	Dec	7,800	(8,740)	18.7	(16.7)	5.5	(5.0)
Lec Refrigeration	Dec	1,210	(907)	13.3	(9.89)	14.6	(14.5)
London & Manchester	Dec	21,230	(22,150)	12.87	(13.95)	13.57	(13.32)
LWT Group	Dec	25,200	(20,800)	18.3	(14.9)	5.91	(3.94)
Macfarlane Group	Dec	6,850	(9,210)	6.97	(11.8)	4.24	(4.034)
Mayflower Corp	Dec	1,070	(449)	1.91	(1.56)	-	(-)
MB-Caradon	Dec	106,400	(101,700)	15.1	(15.1)	8.5	(8.5)
Mowat Group	Sept	1,970 L	(651)	-	(0.65)	-	(-)
Newey Group	Dec	1,010	(1,720)	22.6	(49.4)	-	(-)
Nurdin & Peacock	Dec	27,600	(25,800)	15.0	(15.6)	5.56	(5.2)
Oliver Group	Dec	10,700 L	(2,680 L)	-	(9.54)	1.07	(5.82)
Pearson	Dec	173,800	(226,300)	45.3	(56.5)	23.25	(23.25)
Portmeirion Potts	Dec	2,610	(3,420)	16.7	(23.4)	7.35	(7.35)
Rademec	Dec	345	(396 L)	1.9	(-)	0.5	(-)
Relyon Group	Dec	2,670	(3,240)	8.37	(9.28)	4.9	(4.9)
Rodime	Sept	23,890 L	(18,420 L)	-	(-)	-	(-)
Redland	Dec	186,300	(245,000)	30.0	(50.7)	25.0	(24.2)
Rutland Tst	Dec	8,200	(10,360)	1.8	(2.38)	0.8	(0.8)
Sandell Group	Sept	267 L	(137 L)	-	(-)	-	(1.7)
Scholl	Dec	16,100	(14,200)	13.1	(10.5)	6.0	(6.0)
Scottish Heritable	Dec	792 L	(15,889 L)	-	(-)	-	(-)
Secure Tst Group	Dec	6,710	(6,030)	31.6	(27.4)	12.0	(10.5)
Senior Engineering	Dec	18,300	(15,000)	6.56	(6.1)	3.15	(2.86)
Sentry Farming	Dec	267	(319 L)	5.1	(-)	1.0	(-)
Servomex	Dec	2,060	(1,940)	13.6	(12.7)	5.7	(5.4)
Sherwood Computer	Dec	2,480	(1,990)	19.6	(15.5)	6.0	(5.25)
Speyhawk	Dec	217,000L	(2,660 L)	-	(-)	-	(-)
Spirax Sarco	Dec	22,500	(22,000)	18.0	(17.6)	9.0	(8.7)
Sun Alliance	Dec	468,200 L	(180,900L)	-	(-)	14.25	(13.4)
Swallowfield	Dec	2,200	(2,370)	14.0	(16.0)	6.1	(6.1)
Telemetrix	Dec	4,500	(3,700)	2.1	(2.0)	0.6	(0.6)
Tilbury Douglas	Dec	15,000	(20,000)	48.9	(70.0)	33.0	(33.0)
Trans World Comm.	Dec	1,150 L	(1,840 L)	-	(-)	-	(-)
Tudor	Dec	23	(325)	0.72	(3.66)	0.5	(2.7)
Tyne Tees TV	Dec	213	(5,770)	1.65	(36.2)	14.5	(19.0)
Watts Blake Bearne	Dec	5,870	(7,750)	16.9	(26.0)	9.3	(9.3)
Wilson (Connolly)	Dec	27,100	(31,100)	10.2	(11.3)	3.93	(3.74)
Xira-Vision	Jan‡	1,880	(2,230 L)	1.13	(-)	-	(-)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
All Electronic	Dec	3,950 L	(2,020 L)	-	(-)
Adwest Group	Dec	2,030	(3,070)	1.25	(1.25)
Baillie Gifford Jap	Feb	236 L	(52 L)	-	(-)
Barry Wehmiller	Jan	2,250	(4,300)	2.4	(2.4)
Bennett & Fountain	Dec	123	(1,040)	-	(-)
Hay & Robertson	Nov	22	(-)	0.029	(-)
Kleinwort Develop	Jan	303#	(451#)	2.75	(2.75)
London & Strathclyde	Feb	-	(-)	1.5	(1.5)
Lucas Ints	Jan	90,200	(55,300)	2.1	(2.1)
Manchester United	Jan	3,170	(3,820)	6.0	(-)
Micklegate Group	Oct	899 L	(22)	-	(-)
Murray Split Capital	Feb	560#	(-)	5.8	(-)
Murray Ventures	Jan	1,240#	(1,120#)	3.4	(3.4)
MY Holdings	Feb	758	(337 L)	0.25	(-)
Ricardo Int'l	Dec	1,210	(2,500)	1.9	(1.9)
TIP Europe	Jan	3,720	(2,460)	0.64	(0.56)
Trafford Park Est	Dec	1,620	(1,440)	0.85	(0.85)
TR Far East Inc Tst	Feb	1,050#	(1,200#)	2.2	(2.0)
UDO Holdings	Jan	2,710	(4,150)	1.84	(1.82)

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss. # = Net revenue. $ = Net figures quoted in US dollars. † = This years figures for 15 months. ‡ = Figures quoted in Irish pounds & pence.

RIGHTS ISSUES

European Motor Hldgs is to raise £17.4m via a 4-for-3 rights issue at 105p.

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS

British Data Management is to join the Stock Exchange via a placing of 52% of the company at 125p.

RESULTS DUE

Company	Announcement date	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
AMEC	Thursday	3.67	8.26	4.0
Ashley (Laura)	Monday	-	0.1	-
Baillie Gifford Technology	Tuesday	-	1.4	-
Bilton (Percy)	Friday	5.4	12.04	5.67
Stockleys	Wednesday	1.96	2.86	1.85
SLP Group	Tuesday	-	-	-
Bodycote Int'l	Wednesday	3.25	8.5	3.5
Booker & Hewites	Tuesday	4.0	13.4	5.6
Brammer	Wednesday	4.5	8.5	4.5
Britannia Group	Thursday	1.8	1.1	1.0
British Dredging	Tuesday	2.6	4.3	2.6
Cairn Energy	Wednesday	-	-	-
Chepstow Racecourse	Monday	-	1.0	-
City Centre Restaurants	Tuesday	0.45	0.94	0.45
Clayform Properties	Wednesday	-	-	-
Cooper Clarke	Monday	1.5	3.0	0.5
Costain Group	Wednesday	4.75	7.5	4.75
CSC Inv Tst	Wednesday	4.2	3.0	2.0
Dagenham Motors	Tuesday	1.75	4.0	1.75
Dewhirst Group	Monday	0.29	0.36	0.29
EPG	Wednesday	1.25	-	-
Elys (Wimbledon)	Friday	1.5	14.5	1.5
FBD Hldgs	Tuesday	1.3	1.7	1.6
Foreign & Colonial Pacific	Friday	0.55	1.35	0.75
Fortnum & Mason	Monday	8.0	34.0	10.0
Ipeco Hldgs	Tuesday	1.2	2.0	1.2
Magnolia Group	Wednesday	1.75	3.65	1.75
Malaya Group	Wednesday	-	-	-
Meggitt	Tuesday	1.1	2.31	1.2
Next	Tuesday	2.7	2.0	0.7
Ocean Group	Wednesday	4.67	9.53	4.71
Paramus	Thursday	0.55	1.0	0.55
Pittencrieff	Tuesday	2.0	2.5	2.5
Proudfoot (Alexander)	Wednesday	6.0	13.0	6.0
Pelon	Monday	1.0	1.4	1.0
Rathbone Brothers	Thursday	2.0	6.0	2.5
Richards Group	Wednesday	1.65	2.75	1.65
QS Hldgs	Tuesday	1.31	3.0	1.45
Queens Moat Houses	Wednesday	1.22	1.4	1.34
Severfield-Reeve	Monday	1.0	2.0	1.0
Sherwood Group	Tuesday	3.2	5.9	3.8
Sindall (William)	Thursday	1.5	4.5	1.5
Syes	Wednesday	-	9.0	-
Sykes Pickavance	Wednesday	2.25	3.5	2.25
Tesco	Tuesday	1.7	3.8	2.0
TAS Scires	Monday	2.0	3.0	2.25
Ulster Television	Friday	3.0	3.75	3.25
United Friendly Group	Tuesday	3.5	8.75	4.2
Waterford Wedgewood	Tuesday	-	-	-
Whatman	Thursday	2.5	5.25	2.9
INTERIM DIVIDENDS				
Beckman (A)	Thursday	1.63	3.15	-
Black & Edgington	Tuesday	-	-	-
Cooper (Frederick)	Wednesday	1.5	2.5	-
Downing & Hills	Thursday	0.88	1.62	-
Highland Distilleries	Monday	1.38	4.14	-
Jersey Electricity Company	Wednesday	n/a	n/a	-
Magnetic Materials	Tuesday	0.9	2.1	-
Ossory Estates	Tuesday	0.4	0.45	-
Pegasus Group	Tuesday	3.6	5.8	-
St Ives	Tuesday	1.5	3.5	-
Star Computer	Friday	-	-	-
Wardle Storeys	Tuesday	4.0	12.0	-
Wescol Group	Tuesday	-	-	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

BEST BES ADVICE

4%

Tax the heir, not the estate

Cedric Sandford on the alternatives to IHT

THE NATION arguably faces an even clearer choice over inheritance tax in the election than it does over income tax. The future form, level and even existence of death duties could depend on the result.

As Norman Lamont, the chancellor, confirmed in the Budget, the Conservatives want to diminish death duties – and possibly even abolish them.

This may seem odd measured against the Conservative philosophy of rewarding people according to their contribution. The entrepreneur who makes £1m because the gadget he sells delights millions of people, deserves his reward. But what does the person who inherits £1m contribute?

Since 1979 the Tories have whittled away at the Capital Transfer Tax (CTT) they inherited and in the process introduced inequities so manifest that they made the abolition of the tax all the easier. CTT was a death and gift tax, levied on the donor with progressive rates up to a maximum of 75 per cent.

Sir Geoffrey Howe and Nigel Lawson, previous Tory chancellors, cut rates, raised thresholds, reduced the period in which gifts and estates were aggregated for tax purposes and increased business and agricultural concessions.

The 7-year gift provision is a state-created lottery with life

In 1986, Lawson allowed gifts between individuals to be completely untaxed if made within seven years before death, and renamed what was left of CTT "Inheritance Tax". In doing so he flouted established terminology by which "inheritance tax" is used for a tax on the donee and "estate duty" for a tax on the donor.

Presumably he did not wish to acknowledge that, essentially, he was bringing back the former estate duty, which had lost all credibility as a "voluntary tax".

In 1988 he abolished the higher rates of IHT, reducing it to a single rate of 40 per cent.

Formally this is progressive, because the threshold takes up a higher proportion of a small estate, so the average rate of tax is higher for the larger than the smaller estate. But it is doubtful if IHT is effectively progressive.

If the very rich own private businesses or farms, they benefit from reliefs. If they do not, much of their wealth is likely to be in a form enabling them to make tax-avoiding gifts, while more modest wealth-owners will have most of their wealth tied up in houses and be much less well-placed to make gifts.

The seven-year gifts provision is a state-created lottery with life, with perverse consequences. Suppose two men of the same age and wealth make similar gifts at the same time. One falls under a bus the next day while the other survives. The family more likely to need relief is that of the man who died soonest, not that of the survivor. Yet it is on the former's gift that duty is paid.

Reliefs on private businesses and agricultural assets are inequitable, and of dubious economic value. If the Tories win, interests in unincorporated businesses, holdings above 25 per cent in unquoted and USM companies, owner-occupied farm lands and farm tenancies will be 100 per cent relieved of IHT while other business assets, including let farm land, will be 50 per cent relieved. But there is no reason, from economics or eugenics, to believe that the children of a successful entrepreneur or farmer are persons best equipped to succeed them.

The reliefs will tend to be capitalised in the asset prices to the benefit of existing holders: tax avoidance will be encouraged, bringing into industry or land ownership those more interested in tax relief than economic efficiency; and less businesses and farms will come on to the market, reducing the opportunities of enterprising aspirants.

It may be argued that the reliefs offer incentives to existing owners, who are motivated by passing on their business or farm to the next generation. But this is far from obvious.

Many successful entrepreneurs have no children, so this cannot motivate them, while research suggests that "inheritors" are much less dynamic than founders. The prospect of a large inheritance may demotivate the potential inheritor.

The UK is the only OECD country which fails to support a death duty with a regular gift tax, and which gives such big reliefs for agricultural and business assets.

What is the alternative? The Liberal Democrats have long advocated a donee-based tax to be charged at cumulative rates on receipts from gifts and legacies from any donor – often called an accessions tax. Labour also recognises the merits of an accessions tax and a Labour government would probably substitute one for the IHT.

An accessions tax, besides getting rid of the nonsense of the seven-year rule, has two advantages over the IHT. First, it is more equitable because it taxes directly in relation to benefit received. Secondly, it should be more effective in reducing concentrations of wealth. An accessions tax offers an incentive to the wealthy to spread their wealth; if it is given or left to those who have received little by gifts or legacies, the amount of tax is reduced.

More significantly, a tax on receipts strikes at the heart of the problem, because large receipts, not large estates as such, perpetuate inequality. A change from IHT to an accessions tax would increase administrative costs, but that seems a small price to pay for the benefits. The Irish Government made the change from estate duty to accessions tax some years ago and have been well pleased with the outcome.

Professor Sandford was formerly Director of the Centre for Fiscal Studies of the University of Bath.

Labour: who wins and who loses?

Scheherazade Daneshkhu and John Authers meet two ends of the financial scale

NIGEL TAPLEY is a director of a renowned City investment bank, where typical annual salaries hover around £100,000. People on this level of earnings will be hit hard by Labour's tax plans. These include a new tax band of 50 per cent on income greater than £40,000 and lifting the ceiling on National Insurance contributions, which will effectively add 9 per cent to the marginal rate of tax.

Tapley, whose salary is "comfortably into the proposed new tax band" is not sanguine about the prospect of seeing his marginal rate rise from 40 per cent to 59 per cent (income and NIC) under a Labour government, with the loss of about one third of his present marginal income.

"I'm worried because I think that the very basis on which Labour puts its tax proposals forward is flawed," says Tapley. "Taking so much from the top slice and giving it to the lower slice is flawed. For example, I won't be able to do up the house, spend money on carpets and curtains – this is money which would have gone back into the economy."

Tapley, who lives with his wife in a four-bedroomed flat in Knightsbridge, counts himself lucky that with children aged one and five he is not paying expensive school fees. "I've got to save to pay for those fees and it will be that much more difficult to save". But, "like many of my generation, the last thing I would cut back on is education."

Instead, it is the luxuries that will be affected. The Tapleys have a live-in housekeeper, paid £500 a month, to look after the children. "The likelihood is that she would have to go. We don't have a second car or a second home, which is just as well, because they would probably have to go, too."

Nigel Tapley: faces a steep drop in after-tax income

His wife, who is American, usually spends the summers with the children in the US. They spent last summer in Italy – "a holiday like that would be out of the question because it is that very slug of disposable income – spent not saved – that would disappear."

His hobbies include golf and shooting. He says he would continue with the golf but would probably give up shooting, which is more expensive.

"I'm not rich. I earn my money and if I didn't have a job, I wouldn't have any money," says Tapley who, apart from some endowment policies, has little savings. He says he does not mind paying tax at present levels but a Labour government would mean "you are working for the taxman and not yourself."

He has not needed to look at tax avoidance measures, such as trusts for the children or offshore funds, "but I will now. It was something I would not consider before but it will be high on the agenda."

His position under a Labour government would still be better than many others. "Fortunately I'm not a member of Lloyd's – a lot of my friends are going to have a double whammy there."

He believes that the economic policies of a Labour government would fail. "Any jump out of recession has to mean restoring the confidence of the consumer. Take that away and recovery won't happen."

S D

SYLVIA and Len Biles live on £121.18 per week. That comes from Len's state pension, plus an immobility allowance.

Both are retired, although neither of them has yet reached the state retirement age – Len is 64, and Sylvia 56.

Neither of them works because neither is able to. Len has been disabled for eight years since an operation on his leg went seriously wrong. He finds it difficult to get about, and the heating in the couple's council house needs to be kept high to allow his leg to stay stiffened.

Sylvia has a congenital hip disorder, which made it impossible for her to carry on her job as a chef nearly 20 years ago.

However, she does not qualify for disability allowances or pensions, because she is not receiving continuous treatment for her condition. To her fury, she even recently received a request to pay for National Insurance contributions, to boost her pension when she receives it. She needs it now.

Labour's pledge to put £8 on a married couple's pension over and above inflation might therefore be seen as good news for the couple – it would increase their weekly income by 6.5 per cent. But they are unenthusiastic.

Mrs Biles is a pillar of the local community and runs two social clubs for old age pensioners. Most of their members, like Mrs Biles, still distrust Labour after their experience in 1974-79.

The first point she makes is that Labour cut the Christmas bonus for pensioners in the winter of 1975 to 1976. And the Conservatives are committed to raising pensions in the autumn. Also, pensioners are acutely conscious of inflation.

Prices generally make their rises for the year in April, according to Mrs Biles, and she has noticed them. "You go back to the shop from one day to the next, and the price of a carton of milk has gone up from 47p to 57p. Where can you find money for that?"

That price rise happened under the Tories. But unfortunately for Labour, the couple believes that further inflationary rises like this would rub out the advantages they gain from the pension increase.

Certainly, inflation on the scale of seen in the last Wilson government would cut their standard of living. However, most City analysts are confident that the discipline of the European Exchange Rate Mechanism would avoid a return to 25 per cent inflation.

The couple cannot be said to have benefited much from the new Thatcherite prosperity – they did not have enough money to buy the council house in which they have lived for 30 years, so the "right to buy" did not help.

But one incident impressed them. Heating has been one of their greatest problems, due to Len's medical condition. During one bitterly cold snap their electricity bill for the quarter was £200.The Tories provided some relief. Mr Biles says: "They were the first government to give us £2 a week when it was cold."

The junior minister responsible for granting the pay-out was John Major. As a man from Brixton, not far from the Biles' home in Waddon, near Croydon, they are inclined to trust him, even though the economists suggest they would be better off under Labour.

Len and Sylvia Biles: on the breadline

The tax cost of party gifts

ALTHOUGH the political parties have an apparently insatiable appetite for funds, the tax system gives surprisingly little encouragement to political donors. There are few tax breaks for individuals and none for companies. Neither the real nor phantom Budgets proposed relaxations.

A casual student of British tax law might be struck by the apparent similarities in the treatment of political and charitable donations.

First, both are exempted from inheritance tax. The qualification for a political party is undemanding – two MPs returned at the last election, or a single MP combined with a national vote of at least 150,000. Since small gifts will be covered by exemptions and life-time gifts fall outside the IHT net provided the donor survives for seven years, the only conceivable relevance of this concession is if a person leaves a political bequest in their will.

Second, gifts to political parties can be "rolled-over" for capital gains tax purposes. This means that, provided both donor and party make a written election to the Inland Revenue, the donor pays no tax but the party takes on the donor's original CGT base value.

Suppose that as a gesture of gratitude for the government's privatisation programme, Sid decides to donate to the Tory party 1,000 shares in British Telecom which cost him £2,000 but have risen in value to £3,000. In the unlikely event that the Conservatives felt it politic to hold a stake in BT, and assuming the shares are subsequently sold for £4,000, the Tories would be taxable on a gain of £2,000 (£4,000-£2,000). Had Sid sold his shares and then donated the proceeds, his gift would have been reduced by 40 per cent CGT to just £2,600. This way he is able to pass on the full £3,000 value. The Revenue is unable to estimate the annual cost to the Exchequer of these two rather obscure concessions.

The analogy with charitable giving breaks down when it comes to income tax. Whereas philanthropists can obtain full income tax relief for their donations – whether by deed of covenant or, for larger sums, under the Gift Aid scheme – there is no equivalent for political contributions.

If Sid wants to support John Major with cash rather than BT shares he will have to do so out of his after-tax income. Assuming he is a higher-rate taxpayer, a £3,000 gift will cost Sid £5,000 of gross earnings – rising to more than £7,300 if the Labour Party are in a position to implement their 59 per cent top rate of income tax and national insurance.

In practice, the majority of those who make political gifts probably do so indirectly as shareholders in companies. Under the Companies Act, donations for political purposes must be disclosed in a company's accounts; hence the recent rumpus over the failure of Asil Nadir's Poly Peck International to inform its hapless shareholders of a £100,000 boost to Tory coffers.

Disclosure is required, shareholder approval is not. Nevertheless, a number of companies put their political contributions to the vote. Continuing the apparent link between political generosity and ultimate financial ruin, the collapsed conglomerate, British & Commonwealth, was the first to take the democratic plunge. A number of companies now seek express authority from their shareholders before making political payments.

Whether or not they consult in this way, companies who have helped to pay for the current election campaign should not expect any help at all from the Revenue. It feels that political donations can never be deducted from profits for corporation tax purposes.

Denial of relief is not a result of a specific statutory provision. Instead, the taxman's thumbs-down is based on an interpretation of the general rule that corporate expenditure is only deductible if incurred wholly and exclusively to benefit the company's trade.

Although companies donating to the Conservative party – the beneficiary of virtually all corporate donations – doubtless believe that a fourth Tory term would be good for business, that is too remote a connection to satisfy the deductibility test.

David Cohen

■ *David Cohen is a partner in City law firm of Paisner & Co.*

BEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/ term	Minimum deposit	Rate %	Int. paid
INVESTMENT A/C's and BONDS (Gross)						
Co-operative Bank	Pathfinder	0800 616162	Instant	£1	10.00%	Mly
Nottingham BS	Post Direct	0602 481444	Instant	£2,500	11.25%	Yly
Northern Rock BS	Postal Acc	091 285 7191	Instant	£20,000	11.50%	Yly
Leeds & Holbeck BS	Albion Postal Acc	0532 438292	Instant	£50,000	11.60%	Yly
Scarborough BS	Premier Fix	0723 368155	1.8.92	£1,000	11.50%	Yly
Birmingham Midshires BS	First Class	0902 710710	90 Day	£100,000	11.70%	Yly
Chelsea BS	Premier Acc 2nd	0800 272505	31.1.94	£10,000	12.0%*	Yly
Nationwide BS	Capital Bond	0793 694465	2 Year	£10,000	12.30%	Yly
TESSAs (Tax Free)						
Allied Trust Bank		071 826 0879	5 Year	£5,000	13.24%	Yly
National Counties BS		0372 742211	5 Year	£3,000	12.50%	Yly
Stroud & Swindon BS		0453 757011	5 Year	£100	12.50%	Yly
Exeter Bank		0392 50835	5 Year	£250	12.00%	Qly
HIGH INTEREST CHEQUE A/Cs (Gross)						
Caledonian Bank	HICA	031 556 8236	Instant	£1	10.00%	Yly
UDT	Capital Plus	0734 560411	Instant	£1,000	9.90%	Qly
Chelsea BS	Classic Postal	0242 521391	Instant	£10,000	10.00%	Yly
				£25,000	10.50%	Yly
Portman BS	Prestige Cheque	0800 373176	Instant	£50,000	11.25%	Yly
OFFSHORE ACCOUNTS (Gross)						
Woolwich (Guernsey) Ltd	International Acc	0481 715735	Instant	£500	10.00%	Yly
Co-operative	Investment 90	0481 710527	90 Day	£50,000	10.75%	½Yly
Yorkshire BS Guernsey	Key Extra	0481 719898	180 Day	£25,000	10.85%	Yly
				£50,000	11.35%	Yly
C&G Channel Islands Ltd	Guernsey Bond	0481 715422	1 Year	£10,000	10.65%	OM
GUARANTEED INCOME BONDS (Net)						
American Life FN		081 680 7153	1 Year	£25,000	9.20%	Yly
Liberty Life FN		081 440 8210	2 Year	£25,000	9.00%	Yly
Consolidated Life FN		081 940 8543	3 Year	£2,000	9.00%	Yly
Liberty Life FN		081 440 8210	4 Year	£25,000	9.10%	Yly
Aetna FN		0800 010575	5 Year	£50,000	9.30%	Yly
NAT SAVINGS A/Cs & BONDS (Gross)						
	Investment A/C		1 Month	£5	9.60%	Yly
	Income Bonds		3 Month	£2,000	10.25%	Mly
	Capital Bonds C		5 Year	£100	11.50%	OM
NAT SAVINGS CERTIFICATES (Tax Free)						
	36th Issue		5 Year	£25	8.60%F	OM
	5th Index Linked		5 Year	£25	4.50% +Infln	OM
	Childrens Bond F		5 Year	£25	11.64%	OM

* Rate on Chelsea account fixed till July 1. This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross
Fixed = Fixed Rate (All other rates are variable) OM = Interest paid on maturity. N = Net Rate. B = Bond.
Source: Moneyfacts, The Monthly Guide to Investment and Mortgage Rates, Walsham House, Stalham, Norwich. Readers can obtain a complimentary copy by phoning 0692 582808.

MINDING YOUR OWN BUSINESS

Computing/**David Carter**

The other side of the ledger

A RECENT survey found that 52 per cent of purchasers bought their new computer to do the accounts, principally the sales and purchase ledger. But readers wanting to put their accounts on to computer should be aware that a new generation of sales and purchase ledger packages is in the pipeline.

Traditionally, these two ledgers *are used for credit control. A sales* ledger will record your credit sales invoices and group them in customer order. The credit controller can then simply look up the customer's "account" on the screen to see which invoices are overdue for payment and need chasing.

When a cheque is received from the customer, the computer matches it to an invoice or group of invoices, clearing them from the ledger *and keeping an accurate* record of paid and unpaid invoices for this customer.

The purchase ledger does the same thing with purchase invoices from suppliers.

Credit control is largely the prov*ince of the accounts department.* However, those sales and purchase invoices also contain information vital for your sales and purchasing staff. For example, suppose you issue sales invoice 999 on March 25 1992 to customer XYZ Caterers, as *follows:*

"Spoon, serial no 123: £25
Knife, serial no 456: £35
Food mixer, serial no 789: £40
VAT at 17.5 per cent: £17.50"

When recording this invoice, a typical sales ledger package will ask *you to allocate the value of each of* the four invoice lines to an account in the nominal ledger.

This "analysis to the nominal" helps the accountant produce his month-end accounts. Otherwise the four individual detail lines are ignored, and it will post a summary of the invoice to XYZ Catering's account, *perhaps as follows:*

"25/03/92 999 sale at £117.50."

This summary is all the credit control staff need to know. But while the serial number of the food mixer may be of no interest to them, it may be important to the *service department.* And *all the* detail is interesting to the sales staff. A year later they might look at this customer and decide it is about time they tried to persuade him to upgrade his food mixer or to add a fork to his knife and spoon.

Your sales invoices are the source documents for everything you have ever sold. The new-type sales ledger invites you to enter the sales invoice line by line, not just in summary. The aim is to capture that sales information at the invoice entry stage, and to catch it in the *greatest possible detail, thereby* enabling you to build up a *sales history database* which you can retain on file for as long as you like – years if necessary.

I have seen one or two systems which retain this detailed information. You can call up a customer sales history and at the touch of a button see the sales invoices not just in summary form, but broken down into an item by item history *of everything you have sold this* customer in the last two years.

Instead of the computer telling you about your customers merely as *debtors*, it now tells you everything about them as *customers*.

This applies equally to purchases *and the purchase ledger.* As you enter a supplier's invoice for 20 of Item X, the computer can automatically look up the last price at which you bought Item X and display it, enabling you to confirm that the price on the invoice is correct.

It is *only within the last year or* two that unlimited disk storage has made these sales and purchase histories feasible. Perhaps the best example of the new ledgers is Business Manager, released by Pegasus last September. It costs only £299. *Anyone who has their accounts on* computer should consider buying it just to see the future of business software.

Until now sales and purchase ledgers have been simple, humdrum affairs run by the accounts department, but once the sales and purchasing people realise what the new ledgers can do, they are not going to stay that way for long. Accounts packages are much too important to be left to the accounts staff.

■ *Pegasus Business Manager, £299, is available from Pegasus Budget Software, 0536-415522. It requires a 286 PC with 1 megabyte of memory.*

■ *David Carter is a consultant in information systems for small businesses tel: 0727-812447*

Philip Lawrence

Building a business: Chris Ward in the boat yard he bought last year

Afloat on the tides of a recession

Nick Garnett meets a man who reacted to redundancy by buying a company

STATISTICAL tables of the unemployed are littered with countless senior managers pushed on to the street by company restructuring and recession. But recession also spells shrunken asset values and the opportunity of acquiring tiny production businesses at low cost.

Chris Ward found himself out of work in the middle of 1990 when he was made redundant from his job as managing director of the UK domestic products division of the Hicksons group. Six months on and Ward was a boat builder, the owner *of a tiny yard near the Norfolk* Broads making cruisers, motor yachts and catamarans and fitting out lifeboats and other vessels. It cost him £79,000 to buy.

It is hardly Swan Hunter but it gives 40-year-old Ward a new per*spective on life.* "What you have is freedom to design your own strategy for the business and implement that unencumbered by boardroom politics. I like being involved with boats but had no experience of running a boat-building business."

*The downside of paltry asset val*ues, though, is feeble demand. "It's a bad time to be in any business. It makes the potential new boat buyer very wary, not because they have lost money in the recession but because they are hanging on to it in case their own business gets into trouble."

Ward has felt it necessary to inject a further £35,000 of his own money, mainly to cover part of the cost of building a particular style of motor yacht as the yard's own prod*uct which is yet to find a buyer.* He has been a keen sailor for a long time; his own sailing yacht is moored in the marina at Ipswich where he lives. "I started looking for a business connected with the marine industry," he said.

An advert caught *his eye in Yachting Monthly*, for a yard in one of those dreary places near Lowestoft, an hour's drive away. The owner wanted £50,000 cash, a further £50,000 over five years. A one-off cash price was eventually agreed. Ward coughed up £50,000 immediately; the balance of £29,000 was *supplied by National Westmin*ster bank without a visit to the yard, but with Ward's business prospectus.

What Ward got for his money was a company, Crown Fletcher (he renamed it Crown Fletcher Boat Builders), with a boat-making name since 1906, a building housing five *boat bays on a 21 year lease, equip*ment like bandsaws and steam machinery to bend wood into shape, and a workforce of six craftsmen and an apprentice.

The business, he says, generated a turnover of £250,000 in the last year before he bought it, though over £100,000 of this derived from buying-in, then using, raw materials. It made a pre-tax profit of £12,000. He bought the yard in Janu*ary last year. Since then it has* turned over £203,000 and made a profit of £18,000.

The yard can build complete wooden vessels from the keel upwards, usually using Columbian pine, teak and mahogany, as well as fitting out fibreglass vessels whose hulls are supplied from outside.

Ward has so far taken out no salary and has pumped in that further £35,000. It has been hard work. He leaves home at 6.30 am and returns in the evening.

"I bought the yard because it had a good level of skills, access directly from the sea, and from Oulton Broads through a lock, and because *it had a record of supplying and* refitting lifeboats."

The company came with a 62-year-old foreman who helped Ward find his sea legs in costing jobs. Ward also had a stroke of luck when John Perryman, a profes*sional boat designer and naval* architect once employed by Crown Fletcher, offered his services, bringing two orders in his back pocket.

"When I bought the yard it didn't have a designer," Ward says. "It was doing a lot on subcontract. I probably could have used a third party designer but it makes you *more competitive having someone* on the premises. For some vessels we can design it, price it and do a bill of specification in four days. Without John's skills we would have struggled to break into the new boat build market."

Since Ward bought the company, Crown Fletcher has built a 60-seat *catamaran for £70,000,* using a fibreglass hull, and is part way through a 41 foot all-wooden traditional Broads cruiser, sold for well over £100,000. It has also refitted *two large lifeboats. Ward is trying* to switch the yard towards more wooden boat building and refit work and away from buying-in fibreglass hulls.

Boat building is a competitive industry, much more so now the *market for new boats has slid by* more than 30 per cent.

"Almost every job comes from competitive tendering," Ward says. "Normally the buyer goes for the cheapest yard. *Over the long term* that is not good because it is mainly marginal profits."

Trying to circumnavigate this problem, Ward acquired a fibreglass mould and produced a hull for what will be the yard's own product, a 32 foot motor yacht.

"Part of our strategy is to develop something of our own to get out of all this competitive tendering." This vessel though, which is part finished and with a price tag of £105,000, has no buyer yet, and is *absorbing some of Ward's personal* cash.

Avoiding the odd sour contract is also tricky.

"We had a £60,000 job in the yard before Christmas to repair a burnt-out fishing boat, but the owner's bank foreclosed on the proceeds of the insurance policy. So we had *sewn up four months work for two* people and found ourselves without that job through no fault of our own. We got our costs back, but that was small compared with £60,000."

Ward has found that company *and family are entwined when run*ning a new venture. "After the recession my expectation is that the yard will provide a good living. But like all business ventures, you have to put a lot in to get a lot out. What you need is a totally committed wife who understands all the risks when you take on a venture."

■ *Crown Fletcher Boat Builders, Harbour Road, Oulton Broad, Lowestoft, Suffolk, NR32 3LZ. Tel: 0502-574951.*

Parked-car problems

Q&A BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

IN 1973, I bought a builders' yard and buildings, but not the entrance road, which is unadopted and serves other properties including one still owned by the owners of the road. I was given right of way over the full width of the road way, but because of the parking restriction now being enforced, more people are parking in this entrance. On *one side of the right of way* these cars park at right angles to the roadway, sometimes well out, which has made it impossible for builders' merchants' lorries to deliver materials to our premises. The own*ers of this road say the advice* they have been given is that it is up to us *to* take legal action. We have been advised that it is the owners' responsibility.

We offered to pay for wheel-clamping: this was turned *down by the owners,* who requested that we put up a "no parking" sign. We argued that this would not work – and so it has proved. Who is normally responsible for this situation? If vehicles have parked in this *entrance for a number of years* could they claim a permanent right to do so?

■ If the parking, particularly at right angles, substantially interferes with your use of the right of way you do have a cause of action against the individuals who park there, even if there are some who also claim to have a right of way. You should invite your *solicitors to consider seeking* injunctions and damages based on the principles in Celsteel Ltd v Alton House Ltd 1985 1 WLR 205 (not affected on this point by the later appeal).

All my worldly gifts

I DRAW my state pension plus an allowance for my wife, who is not yet 60, and not working. When the taxation of married women was altered some years ago, I assumed that the allowance I got for her would be allowable against her tax allowance, and suggested this to the Inland Revenue, which altered my tax code but did not comment.

I have been claiming this off her tax allowance for three years, but only after reminding the IR of it each year.

With my 1992-93 tax code I received a booklet on tax; it says that any allowance paid to the husband for his wife is taxable to the husband. Is this *correct in my case?*

My tax office is far from here, so I cannot discuss the matter with them. If a mistake was made, could I be advised to accept things as they are, in *case the IR demand repayment* for past years?

■ The allowance in respect of your dependent wife is payable to you (not to your wife), and is consequently your own income (not hers). There is *nothing in the tax legislation* that deems this part of your income to be your wife's, so we are puzzled why you thought that it should be reported as part of your wife's income. It looks as though you have mis*led the tax office as to whose* income it was (and is), so you may have made yourself liable to penalties, as well as interest payable.

On the bare facts outlined, we recommend that you report the correct facts to your tax office at once, before it finds out for itself and contacts you for an explanation.

If, however, you consider *that your tax office has at all* times been in possession of the full facts, and you wish to dispute its right to reopen past years, you should write to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London, WC2R 1LB, and ask for a copy of SP8/91 (Discovery assessments). That statement of practice (SP) does not cover cases where there may have been negligence by the taxpayer, so you have to decide whether you think that they could reasonably regard your correspondence as having been based upon *negligence* in not checking the tax rules first.

Tax forms for free

I AM a non-resident of the UK for tax purposes and receive income from UK government stocks. I have to make an exemption claim every two or three years. Previously I have obtained the relevant form through my bank, incurring charges. Where should I write to get the form sent straight to me?

■ Write to the Inspector of Foreign Dividends, Lynwood Road, Thames Ditton, Surrey KT7 0DP, UK. If you do not *know the reference number* which has appeared on your past claim forms, give your full name and your previous address if you have moved since your last claim or questionnaire form was submitted; *this will help to trace your file.* It will also help if you make it clear whether you have claimed exemption from tax by virtue of (a) article 11 of the double taxation convention with Switzerland, or, (b) the terms of issue of the particular gilt-edged securities which you hold. A list of the holdings would also be helpful. We take it that they are registered in your own name – if not, you should give details of the registration of each holding.

Unquoted capital losses

I UNDERSTAND that capital losses on unquoted investments can be set against income for tax purposes. Does this apply to overseas unquoted investment losses?

■ No. One of the many conditions (set out in sections 574 *to 576 of* the Income and Corporation Taxes Act 1988) is that the company has never been non-resident:

576 Income and Corporation Taxes Act 1988

(4) For the purposes of sections *573 to 575 and this section* a qualifying trading company is a company none of whose shares have at any time in the relevant period been quoted on a recognised stock exchange and which:

(a) either

(i) is a trading company on the date of the disposal; or

(ii) has ceased to be a trading company at a time which is not more that three years before that date and has not since that time been an excluded company or an investment company; and

(b) either

(i) has been a trading company for a continuous period of six years ending on that date or at that time; or

(ii) has been a *trading company* for a shorter continuous period ending on that date or at that time and has not before the beginning of that period been an *excluded company or* an investment company; and

(c) has been resident in the UK throughout the period from its incorporation until that date.

Running a risk is the point

Jonathan Young on the horsey set

THERE IS little to match the English beauty of polished chestnuts, led by equally polished brunettes, at Newmarket's July meeting.

Unfortunately this is Rembrandt beauty: we all appreciate it, but few can possess it. Wealth beyond the dreams of Ferraris is needed to own even a moderately fast thoroughbred.

Yet it is possible to enter the owners' enclosure for as little as £5,000 – if the enclosure exists. Such a sum will buy you a whole horse for point-to-pointing rather than a share of a hoof in a dodgy flat-racing syndicate.

There is, of course, a drawback. Pop four bottles of fizz when your horse wins by a nod, and that will be the end of the winnings. Top prize, in bookie parlance, is just four "ponies": £100.

That does not deter point-to-pointers. Quite the opposite. The sport's poverty restricts the appeal to those who appreciate the sport. The fashion nuances of the cocktail-clad at Ascot's Ladies' Day do not trouble those swaddled in puffas, paddling around in milking-parlour gumboots. It is cold and very horsey: the two essential ingredients of English country life.

Throughout the spring, thousands of horse-owners, admirers, riders and gamblers will be attending the 202 meetings at 117 courses countrywide. The better horses travel the circuit with their owners, and these are carefully marked down as likely candidates for £5 on the head. The race-card gives form: "error-prone"; "moody"; "moderate at best" are the customary, unforgiving descriptions of the outsiders. (Their jockeys' faults, sadly, are not documented.)

With such sketchy details, most betting is as scientific as laying money on a fly's climb up a window. The one secure guideline, as disclosed by a book-maker last Saturday, is: "do your maffs". With rare exceptions, bookies know the form, such as it is, and their assessment of the odds is usually spot on.

Most of the money, though, goes on competing friends and family rather than on the horses. As the Irish have it, the jockeys are riding "for the crack". (Often, literally.)

Most so-called dangerous sports, such as mountain-climbing, car-racing or parachuting, have a degree of injury potential. It does not compare with the risks run by the average point-to-point rider.

The danger is proportional to the fitness of horse and jockey. To qualify, the rules demand that pointers spend six days' hunting – developing both stamina and jumping experience. But although hunting demands the utmost in courage and stamina, the sport is following hounds, and hounds seldom gallop flat out over jumpable country.

The Tweseldown point-to-point course stretches just over three miles, with 19 steeplechase fences, each 4ft 3in, between start and finish. It is a hard test of horse and rider. Few fail to complete the first circuit; the second mile is the test, as exhaustion forces mistakes and inexperience pushes riders on when they should pull up. Tragedies can occur.

All entries were going well at the fourth race at an Army point-to-point at Tweseldown in February. They cleared the ninth fence, and were 15 yards clear before the chestnut in the centre inexplicably stumbled, cartwheeled and fell, legs twitching, on top of its rider.

Both lay still, the horse with a broken spine, the jockey concussed. The rest of the field swung round, oblivious, cleared the eighth and galloped down to clear the ninth, beyond which lay the prone bodies. An attempt by the stewards to divert the field was unsuccessful, and in the melée a second horse and rider lay still on the ground. This time it was the horse that had the wind knocked out of it and the jockey who was damaged: Simon Cobden, an undergraduate about to take his finals, had his cheekbone fractured and a broken arm. Both riders were taken away by ambulance. So was another rider in the following race. Simon Cobden's hospital ward was half-filled with Tweseldown casualties.

It was a ghastly moment, and it underlined the risks. Nothing can compete with the silky elegance of the Classic flat-races or the professional jump jockeys assaulting the Grand National. But for old-fashioned guts and esprit, there is nothing to beat a point-to-point.

■ INFORMATION: The next point-to-points at Tweseldown, Aldershot, are on April 18 (1.30pm). Local hunts hold point-to-points throughout the spring and advertise in the local press. Entrance about £10 a car. Vacuum flasks, sweaters and gumboots essential.

Jonathan Young edits The Field.

Point-to-point racing: The danger is proportional to the fitness of horse and jockey

The lost city that never was

Patti Waldmeir on the entrepreneur who is making a myth in the African bush

Fabricated dream: the Hunter's Hideaway at the Palace

IN THE arid bush of Bophuthatswana the ruins of an ancient civilisation have been discovered, a place of stately pleasure-domes and gardens bright with sinuous rills . . . enough to please a modern-day Kubla Khan.

Well, that is the myth, anyway. But the visionary in question is not Coleridge. It is Sol Kerzner, a South African entrepreneur who made a fortune providing South Africans with inter-racial sex and gambling at Sun City. Now Kerzner is spending R730m (£146.8m) to build an "ancient ruin" in the African bush, a supposed lakeside palace supposedly overtaken by jungle. He has named it the Lost City. You have to visit Bophuthatswana, itself a ludicrous creation of apartheid, to appreciate the delightful preposterousness of the idea.

"Bop" (as it is known) is a nominally-independent black homeland made up of bits of bush scattered across the northern Transvaal. It has no natural lakes or jungles, let alone ancient ruins. There are almost no such ruins anywhere in sub-Saharan Africa: nothing survives Africa's harsh climate. Bop is a landscape of red rocks and stunted bushveld, baked dry by a brutal sun.

"We created a story in which a tribe migrated from the north and settled in this hidden valley to escape from civilisation," explains Gerald Allison, the project's American architect. "In our myth we gave these people a palace surrounded by lakes and a lakeside city . . . Over time the jungle took over the city. Only recently was it rediscovered, and now excavations are revealing its true extent and beauty."

With completion set for next December, architects and artists are working hard to create the promised ruin. "Everything has to look like it's been there for 500 years and survived an earthquake," says site guide Leslie Moore, describing the process by which glass-reinforced concrete is made to look like ancient Pilanesberg stone from the surrounding hills.

The "palace" – a luxury hotel with 350 rooms – is being built on a scale which no known African civilisation could have rivalled. Guests will enter an enormous foyer, with a domed ceiling six storeys high. Towers and domes will adorn the exterior. Every bedroom will be decorated individually. There will be carved monkeys peering around table legs, heavy wooden armoires, toiletries wrapped in tree bark. At a proposed R600 (£120.70) per night for a double room, the price will compare well with other South African luxury hotels, and it will seem cheap to foreigners.

Prices can be kept relatively low because of Sun City's casino, which will also serve the adjacent Lost City. Some R180m is to be spent doubling the casino's size; already its facade has been rebuilt, with giant elephants and monkeys carved in what looks like natural rock (but isn't).

The success of the Lost City myth will depend, though, on the jungle, lakes and waterways which will surround the palace.

Trees are being uprooted throughout southern Africa and transported to the site. There will be a 26 hectare man-made forest – including anomalies such as a tropical rain forest with 30,000 orchids dangling from its branches. Indeed, there will be 22 different types of forest, with a large variety of plants never before cultivated by man. Visitors will traverse the jungle with the help of swinging bridges which would make Harrison Ford nauseous.

The palace gardens will sport a heated "ancient" bath, a 600 square metre relic of past splendour. Its surrounding stonework has tumbled into the bath itself, and may be admired from viewing windows below water level.

There will be a sandy beach, complete with 2 metre-high waves (Bop is thousands of miles from any seaboard), and water slides to terrify the timid. The height of these slides is equivalent to that of a five-storey building. Two run underground; their designer explains that this will make them feel even quicker. Another slide is designed for crude terror: swimmers will fall down an almost vertical drop for five seconds: time enough, surely, to despatch the faint-hearted.

Kerzner, chairman of Sun International Bophuthatswana (Sunbop), the company which is building the Lost City, says he believes the new development will bring in 1.5m more visitors every year – double the number currently visiting Sun City. To be sure, inter-racial sex and gambling are nothing to build a future on: sex is no longer segregated by law, and gambling is likely to be legalised throughout South Africa, not merely in the homelands.

But fantasy will always sell. The new South Africa, with its high crime rate and political convulsions, needs fantasy now more than ever before.

The Titanic's tales of terror

Alexander Garrett on a famous maritime disaster

IN THE afternoon of the April 15 1912, Bruce Ismay, managing director of the White Star Line, filled out a Marconi telegram form for company headquarters in New York. *"Deeply regret to advise you Titanic sank this morning 15th after collision iceberg resulting serious loss life,"* he wrote. *"Further particulars later."*

Ismay was aboard the rescue ship *Carpathia*, one of 705 survivors – 1,516 perished. But his message remained unsent until 5.50 am on the 17th, nearly two days later. The wireless telegraph was *Carpathia's* only contact with the world, and as its operator worked round the clock to send out messages from survivors, the signal from the White Star managing director – confirming what the world already feared – was overlooked.

Today, a vessel involved in a collision would be in contact with coastguard authorities within seconds. Then, the delay caused enormous uncertainty, provoked accusations of censorship, and added one more mystery to the intrigue surrounding the disaster.

On Tuesday April 14, Ismay's communiqué is one of 448 radio signal messages relating to the *Titanic* to be sold at Christie's in South Kensington, London. Together they provide a poignant chronicle of events in the world's most famous maritime disaster, 80 years ago this week. The collection is being sold by John Booth, who has exhibited them at the Titanic Signals Archive for the last three years.

That these signals survived is remarkable. At the time the *Titanic* went down, telegraph companies kept originals of all transmitted signals for 12 months. Messages from ships involved in the *Titanic* disaster were assembled for the two public inquiries, one in the US, the other in London. After that, they were returned to the Marconi company where they were held in a vault until the late 1940s.

When Cable and Wireless took over the Eastern Telegraph Company – as it had by then become – the signals were earmarked for destruction, but they were salvaged by an unnamed employee, whose son found them hidden in a suitcase when his father died 30 years later. Booth later acquired the signals. He is selling them now, he says, "because my wife says they take up too much of my time".

Before the wireless was invented by Guglielmo Marconi in 1896, ships communicated with each other by flags and light signals.

But when the *Titanic* set sail from Southampton on Wednesday April 10 1912, she had the most powerful wireless yet fitted. She was one of the first liners to have two wireless operators – John Phillips and Harold Bride, both employed by Marconi – who could together provide a round-the-clock radio watch.

Early in the voyage, they were busy telegraphing arrangements for passengers to meet relatives in New York. It was a lucrative business for Marconi: each message cost 30 shillings, at a time when the second wireless operator earned 50 shillings a month.

It is the tone of optimism that is striking. One starts: *"Fine voyage fine ship feeling fine"*. Another: *"Hardly wait to get back. Cable made me awfully happy. Love Mutzie"*

One, however, was more ominous. *"Westbound steamers report bergs growlers and field ice in 42 N from 49 to 51 West. April 12th Compts Barr"*

On April 12, the *Touraine* radioed to report "dense fog and thick icefields". Further danger signals followed from the *Californian* and the *Caronia*. One of the great unresolved questions of the disaster is why the *Titanic's* captain continued to sail towards the danger zone at 22 knots, especially as Harold Bride, the *Titanic's* surviving wireless operator, told the US inquiry that he had passed on the message from the *Californian*, and it had been "personally acknowledged" by Captain Smith.

Later that day a fateful message was sent: *"Sinking wants immediate assistance"*.

The shortcomings of the wireless – as then operated – become evident immediately following the collision with the iceberg. Unlike the *Titanic*, most of the ships that night had only one radio man, if any.

Thomas Cottam, sole operator on the *Carpathia*, should have finished duty at midnight. At 12.30 he was about to retire when the first distress signal came through. The *Carpathia* sailed to the *Titanic's* aid at full speed, but it was 60 miles away, three and a half hours sailing. Another ship, the *Californian*, was (by its own controversial account) only 19 miles away, but its wireless operator, Cyril Evans, had gone to bed. A third vessel, the Norwegian trawler *Samson*, may have been even closer, but had no radio.

Marconi was later asked why his apparatus did not have a bell to wake the operator. He replied: "On the old equipment used by ships there was a bell arrangement, which did not work well because it alarmed the operators of all ships, as well as the one called."

"Titanic struck iceberg sunk Monday 3 am. Carpathia picked up many passengers am proceeding New York. Captain Rostron."

The signals flying through the airwaves created total confusion for the press. In New York, The Evening Sun trumpeted "All saved from *Titanic* after collision." The following morning in London, the account in The Times was riddled with contradiction. After reporting that the *Titanic* had sunk with "great loss of life," it cited later that she was being towed by *The Virginian* to Halifax, or was heading under her own steam to New York.

By the following day, April 17, the full extent of the tragedy had become clear and the recriminations began. The Times scolded the Central News Agency over a phantom wireless message which had reported everybody safe; while questions were asked about signals being "interfered" with by "amateur operators".

An explanation for one of the "phantom" signals later materialised. A radio ham unwittingly merged two signals, one asking "Are all *Titanic* passengers safe?" and another from the *Asian* announcing she was towing the German tanker *Deutschland* to Halifax. The result: *"Titanic* passengers safe being towed to Halifax."

Before the *Titanic* went down, its two radio operators were given permission to leave their posts. Bride was washed overboard, but was picked up by the *Carpathia*. As the *Carpathia* headed back to New York, he assisted Cottam in sending messages from survivors. A few remained cheerful, as: *"Meet me dock with two hundred dollars underwear cap big coat. Am well but feet slightly frozen answer George."* Others were tragic: *"Mother girls safe father Charlie missing". "Father not seen no hope arrive Carpathia Wednesday New York. Richard."*

The US inquiry made a number of recommendations about the use of radiotelegraphy on ships. But although the *Titanic* sinking had highlighted its shortcomings, the momentous significance of radio communication for sea-going vessels was elegiacally summed up in a Times editorial on April 16:

"But for wireless telegraphy, the disaster might have assumed proportions which at present we cannot measure; and we should have known nothing of its occurence for an indefinite period . . . The advantages conferred by this abridgment of space are enormous. No vessel need be alone, none need vanish without a sign from human ken; and in none but crushing and instant disasters need any despair of help."

The Titanic before setting forth on her fateful maiden voyage

As they say in Europe/**James Morgan**

A poor standard of political insult

THE FRENCH must have had enough of their own politics and elections this week, but this has not stopped them stepping up their coverage of events in Britain. They are fanning out over the sceptred isle, choosing significant destinations.

Never anglophile, Le Figaro went to Edinburgh, where its rival, Le Monde, had been a little earlier. The latter has now put York on the front page, partly because it is the UK's most marginal constituency, and partly because Le Monde is one paper which can discuss York without its readers confusing this with the matrimonial affairs of the Queen's second son.

For the business paper Les Echos, it was the gritty anonymity of the West Midlands. For Libération, the daily paper of the youthful *caviare gauche*, it was inevitably Hampstead and Highgate and a large picture of the Labour candidate, actress Glenda Jackson.

Marie Guichoux deployed her local knowledge in writing about "Ham and High" – as she called it, dutifully – where "one must convince the outlying poorer districts while attracting the intelligentsia. Between the Freud Museum and the tomb of Karl Marx, there is to be found the greatest concentration of men of letters, psychoanalysts and great fortunes of London. Boy George, ex-King Constantine of Greece, John le Carré and Peter O'Toole are near neighbours."

Les Echos chose North Warwickshire, the marginal seat of treasury minister Francis Maude who was supported by the trade and industry secretary, Peter Lilley. They had a tricky encounter at one of the few economic success stories of recent years, the Betterware mail order firm, which employs 160 people. As the paper noted: "Asked what they wanted from the next government, the directors of this small firm chorused: 'Tax concessions for investment.' Silence from the two ministers: such a measure appears in Labour's programme but not the Conservatives'."

In Edinburgh, Le Figaro's Jacques Duplouich enjoyed a similar frisson of *schadenfreude*, talking to rebellious elements there, and blaming the former prime minister, Margaret Thatcher, for any disaffection north of the border. He concluded: "Whatever happens, the status quo is no longer possible. Whoever wins the election will have to undertake a revision of the Act of Union. Or expose themselves to serious trouble."

'Debate in France makes British politicians seem Socratic'

For Le Monde's Laurent Zecchini in York, it was the manner in which the campaign was being fought that proved interesting. "Hardly any great rallies *a la française*, few walkabouts, but targeted and thematic meetings, perfectly controlled and, above all, making the most of television publicity."

Zecchini followed Tory leader John Major through the hospital in York, a new private trust under the recent reforms, and became one of the few correspondents to broach the fearful affair of Jennifer's ear. "Labour employed every means of concentrating attention on the gaps in the national health service, notably the incredible waiting lists . . ." So there came about the film of Jennifer Bennett who had to wait 11 months for an ear operation.

According to Zecchini, the huge controversy over some gaps in the film enabled the Conservatives "a little hastily, to seize the opportunity to hurt [Labour leader] Neil Kinnock . . . they questioned his 'fitness to govern,' a modest statement that, in the conventional register of British political dialogue, constituted a grave attack against the leader of the opposition."

There, Zecchini was facing up to the huge differences in the political language of France and Britain. The actual words used by the Tory chairman, Chris Patten, to attack Kinnock were "unfit to hold public office." In France, to say the opposite and declare someone "fit to hold public office" would imply grave character defects and attract a libel suit.

Furthermore, the nature of debate in France is such as to make the jaded encounters of British politicians seem positively socratic. Across the Channel, it is quite normal to characterise opponents in a manner that only the most libertarian newspaper in Britain would dare translate. The result is to render it impossible to convey in the British media the precise qualities that make French elections so different.

By the same token, it must be quite hard for the French to make British disputes appear significant when the worst insults sound like compliments.

■ *James Morgan is economics correspondent of the BBC World Service.*

Squash/**John Hopkins**

Rising star falls back to earth

At 18 Del Harris was set to rule the world. At 22 he's happy with a slice of Essex

THE OXFORD dictionary says that "burn out" is to burn to nothing, to extinction. The young squash professional sitting in the Ardleigh sports centre near Colchester was far from that. Jeans and a lumberjack's shirt could not disguise his build, that of a heavyweight boxer. True, he looked as though he would rather have been match point down against an old rival than talking about himself, but little about him suggested he was a man burnt to nothing.

Yet some say Del Harris is burnt out. He is the boy wonder who did not go on to become world champion, and it is doubtful now that he ever will. "What do you do when you wake up one morning aged 19 and realise that you've done just about everything there is to do in squash?" asked an acquaintance of Harris's.

Long before he could vote, Harris was the most brilliant junior squash player Britain has ever produced. He won every title open to him in England. He won the Drysdale Cup, the de facto world junior championships, four times in a row, an unprecedented achievement.

One night in 1988 he gave an exhibition at the Royal Automobile Club in London. "Del will play your two best players", said his manager, Norman Norrington, with a knowing smile. "Put them both on court against him, one against two. Del is a big, strong boy. He can handle that."

It was a remarkable demonstration of Harris's talent. Taking enormous strides and hitting the ball so hard that at times it sounded like thunder claps, Harris hurtled around the court to such effect it looked as though it would need three opponents to contain him, not two. Those who watched that night were convinced he would become world champion in due course.

But Harris may have soared too high too quickly. The man who was ranked eighth in the world when he was 16 is now 12th in the world aged 22. In the British Open squash championship, which starts today, Harris has no expectation of getting beyond the last 16.

"Del is an exceptional athlete", says Jonah Barrington, Britain's best-ever squash player. "He was very confident on court and he has immense power which on occasions has to be seen to be believed. I remember watching him play Ross Norman (a former world champion). Norman was obviously very experienced. He was prepared to play an attritional game, which Del doesn't like to do because of his height and weight. Del obliterated him in half-an-hour for the loss of three points. It was one of the most remarkable demonstrations I have ever seen. It should have been videoed for posterity."

Performances such as this were rare. Harris is big and heavy – 6 ft 1 in and nearly 14 stone, hardly the ideal measurements in a sport where champions are several inches shorter and as much as four stone lighter.

His notorious on-court confidence suffered from a series of challenge matches against the Pakistani stars, Jehangir and Jansher Khan, the best players in the world. The Khans, sensing an emerging rival, were determined to put the upstart in his place once and for all, and did so with devastating effect. In ten matches Harris won only one game.

He climbed to No 7 in the world only to injure a disc in his lower back, probably from training too hard. No sooner had he recovered than he suffered an attack of Bell's palsy, an illness that affects the facial nerves. For three weeks he was numb down the left side of his face. He could not feel the water when he took a shower. Half his tongue was numb. Then, almost as suddenly as it had arrived, it disappeared.

At last he was fit and healthy again. But these setbacks had scarred him mentally. "Going on the circuit early and playing the top guys all the time meant I got beaten a lot and that knocked my confidence", says Harris. "I started doubting my ability, my fitness, my technique. In time all these doubts got to me. They affected my mind. It has not gone as well as it might."

Squash expects potential champions to work hardest when there are the most temptations not to. "To be dedicated is not enough", says Barrington, whose own dedication was unquestioned. "You need to be obsessed with it." Far from being obsessed by squash, Harris has become rather tired of it. "Because my life has been given up to squash I've lost a little interest in the game", he says. "I started playing when I was nine and it has been squash every day since then. I never seem to have a break. I need a rest."

Highly strung: Del Harris's confidence has suffered

Harris is a gentle man, handsome and rich. He is about to move in to a £250,000 house being built for him by his father, and he owns other property near Colchester where he grew up. He may not have become world champion, but he is healthy and happy, never more so than in his home surroundings. Age is on his side. He may yet come again.

Sponsorship/**Keith Wheatley**

Taxman grabs Britain's Olympic gold

UK sports administrators have a tough adversary in the Treasury

THREE MONTHS from now the British team sets off for the Barcelona Olympic games. Unexpected medals will be won, predicted triumphs denied. Uncertainty is the seasoning of all sport. Yet even at this early stage it is possible to identify one clear winner – the UK Treasury.

Of the the £7m raised by the British Olympic Association to pay for participation at Barcelona, slightly more than 20 per cent will disappear in corporation tax. "I've made provision for a tax liability in excess of £1.5m", says Robert Watson, a London barrister and treasurer of the BOA.

In a 31-nation survey conducted by Watson and his colleagues, they could find no other country that taxed funds raised to support Olympic teams. Ironically, during the course of the BOA research, the government announced its £55m support for Manchester's bid to stage the 2000 Olympics. The government giveth, and the government taketh away.

"If the BOA didn't do this fund-raising every four years, who would be paying for our athletes to go to the Olympics", asked Watson rhetorically. The government would, of course, via a Sports Council grant – as it used to, prior to the partially boycotted Moscow games of 1980.

"We've relieved HMG of that responsibility and basically all we've received for it is a smack in the face," Watson continues. "I'm delighted with what they're doing for Manchester, but it does seem the final turn of the screw that sportsmen are helping pay for it."

Since the bitter scenes of 1980 over whether British athletes should compete in Moscow, the Olympic movement in Britain has preferred quiet negotiation with government over confrontation. For the past two years, Watson and his colleagues have been seeking to persuade the Treasury to exempt BOA funds from tax. A high-powered lobbying firm has been employed, to no avail.

Now the gloves are off, and the Olympic movement has decided to go public with its grievance. "Our income is from two sources," explained Watson. "The most visible is the public appeal and for Barcelona that should raise around £2m. We don't pay tax on that.

"But the largest part of our income, around £5m this time, comes from commercial sponsorship." Companies making substantial donations to the appeal are entitled to use the British Olympic symbol in their marketing and advertising campaigns, as well as calling themselves "Official Sponsors of the British Olympic Team."

The Inland Revenue, alone among its international brethren, defines this as "trading" – and taxes it accordingly. Watson knows from informal briefings and conversations with ministers that the government regards exemption for the Olympic movement as the thin end of a terrifyingly large wedge.

Flying the flag, paying the VAT bill: the British team marches at the closing ceremony at the Seoul Olympics

At present, revenue from sport – derived primarily from VAT, betting taxes, income tax and corporation tax – is estimated to be worth £3bn per year to the exchequer.

The officials worry that once the exemption door is opened a chink, everyone from Manchester United to Wimbledon will claim the moral right not to pay, citing the Olympians as their precedent.

"We're pushing on the grounds that the Olympics is unique and does not invite comparisons," counters Watson. "The BOA has no ability to generate income in the way domestic sporting events do."

The association's expenditure splits into two strands. The first is simply transporting a team and its equipment to the Olympics, then clothing, housing and feeding them while they are there. For Seoul in 1988, this involved transporting 561 people, 55 bicycles, 19 horses, 16 yachts, ten rowing craft and 15 canoes halfway round the world.

Second, but also vital if British entries are to go beyond mere participation, the BOA funds qualifying tournaments, acclimatisation training camps and injury treatment. Colin Moynihan, former Conservative sports minister, recognised that the nation expected some prospect of success – Britain is not yet plucky Monaco, thrilled just to be there.

"Some help is necessary to enable prospective international competitors to meet their rivals on equivalent terms. Success in sport reflects well on both our standing in the world and on trade and on morale," Moynihan told parliament when he was sports minister.

In terms of expenditure on sport, the government has shallow pockets but big expectations. In the year 1990-91 the amount spent per head of population was 97p (the comparable figure for the arts in 1989-90 was £2.76). By contrast, Italy spent £5 per head, while even Denmark's outlay topped £3 per head.

Cynics maintain that the £55m promised to help Manchester's Olympic bid has far more to do with vote-winning in politically marginal north-west England than it has with support for sport.

"We painted John Major into an electoral corner," confessed Bob Scott, ebullient impresario of the Manchester bid. Local councillors make the point that the city cannot lose, wherever the games go in 2000.

"The chancellor could make this exemption in minutes, it doesn't need an Act of Parliament," frets Watson. If it doesn't happen, he sees it as inevitable that the BOA becomes an active trading organisation. "We don't want to go into it, but if we have to, we will."

Rowing/**Phillip Halliday**

The Light Blues' burden

THE MAIN thing that stops Cambridge winning the varsity boat race is Cambridge. That was the opinion of Mark Lees, last year's Light Blues' coach, after he had watched them lose for the 15th time in 16 years.

Lees served three years at Cambridge and spent most of his time trying to break the Oxford voodoo. He produced excellent crews that somehow fell short on the day.

He argued that no matter how good the Cambridge crew was, it always strained under the weight of that losing run – a weight that grew heavier during the last two weeks' preparation at Putney when the opposing crews trained in each other's pockets.

The last two weeks before the 4¼-mile ordeal are when the mental approach to racing becomes as important as the physical, when the camps try to psyche each other. For example, during a spell of rough weather last week the crews could not get on the water. Cambridge had already lost some rowing time because of injury. "You can't afford to lose another session," shouted one of the Oxford contingent in the direction of Cambridge. This was good-natured stuff and greeted with laughter, but the barb was well-aimed.

Is Cambridge really the home of lost causes? They have recruited John Wilson, who last year coached the Oxford camp. Wilson knows all the Dark Blues' strengths and weaknesses; he may know Oxford's Achilles' heel as well.

Oxford's strength lies in their sophisticated regime of coaching and training. The foundations were laid by Dan Topolski, the coach who turned Oxford around in the 1970s. The system was built up by Steve Royle, Oxford's director of rowing, whose five-year contract expires after today's race. Jürgen Gröbler, the former East German national coach, joined as technical consultant this year and said there was little he could add.

However, Oxford have appeared vulnerable this time. At the Reading head of the river race on March 7, a timed processional race over 4¼ km, Oxford's prospective Blue Boat was beaten into second place by Imperial College. Isis, the reserve Oxford crew, finished just 9 seconds behind the first eight, which left the coaches to ponder crew selection.

On February 25, Oxford's squad had been hit by the death in training of John Hebbes, who was fighting for a place in the top boat.

As Oxford were losing, Cambridge were spanking Nottingham's international lightweight squad over the first half of the boat race course. They showed plenty of skill and have the beef to go the distance.

At Oxford, meantime, the selection knives flashed. Boris Mavra, Hamish Hume and Ian Gardiner were promoted, the latter moving into the stroke seat where he had performed well for Isis. His rise has been meteoric. He learned to row at St Peter's College, Oxford, two years ago.

Cambridge argue that the late changes are a sign of panic in the Oxford camp. Cambridge seem in good spirits, and there is little sign of the drooped shoulders that Lees complained of. Observers and bookies have made them favourites, but this is often the kiss of death.

■ *The crews race from Putney to Mortlake today, starting at 2.35 pm.*

Golf/**John Hopkins**

Green machine

CHARLIE, Chris, Margot and I played the 18th at Pebble Beach recently. Unhappily, we were not in California but in Birmingham, England. It was not quite the same.

The *real* Pebble Beach 18th tee is high above the Pacific ocean, and the fairway curves like a scimitar around the cliff-tops to a green a par-five away.

We, by contrast, were standing on an artificial surface inside a booth 20 ft by ten ft by 14 ft. We were aiming at a screen which showed a simulated picture of the hole. It was not like the real thing.

Nothing can reproduce the feeling of being out in the fresh air on a sunny day with a clear sky and a following wind.

That said, I must add that this device came nearer than I imagined was possible.

Golf simulators have been around for more than a decade. They flash a series of pictures of a hole on a screen at which you aim. But they bear no more resemblance to playing on a golf course than a pitch and putt course does to a full 18 holes.

This new machine is much more realistic, even if it is unable to make you forget you are standing on an artificial surface in a booth. Where it exceeds all its rivals is the feeling it gives you of actually playing the hole in question.

If you slice, the ball goes right; if you hook, it goes left. If you hit into the water, there is a splash. Hit into a bunker and you have to play your next shot from a sand bunker in the booth. For putts there is a putting surface and a hole. The machine tells you the precise distance your shot has travelled, keeps score for all the players and provides full sound effects.

These US-made machines have found a ready market in Japan, while four have been installed at the David Lloyd leisure centre in Finchley, London. They range in cost from £35,000 to £40,000. So far the courses you can play on it are famous US ones.

As for Britain, filming has been done of the Belfry and you will be able to play simulated golf on this course quite soon. Other courses are in the works.

■ *The UK importer is Ingolf of Birkdale, Lancashire, tel: 0704-540861.*

Motoring

Renault passes road Czech

Stuart Marshall enjoys driving the new Safrane to Prague

AS THE Renault Safrane bumped over the tram tracks and splashed through the puddled, patched tarmac, the rain turned into sleet. Pilsen last week looked about as inviting as a Welsh mining town on a wet March day.

Superficially, nothing seemed to have changed much since last I drove in Czechoslovakia 10 years ago. Then, although we had all the right paperwork, it took more than an hour for the frontier guards to allow us in.

As we waited, we watched their dogs sniffing the undersides of lorries hauling gravel over the border into Germany, while more guards probed the loads with steel rods. They took care in those days that no Czech citizens escaped.

When we flew out of Prague, there were locked security doors through which to pass before reaching the airline check-in desk, and again at immigration. The city was beautiful, but Czechoslovakia was not a happy country. Every 10th person seemed to be a uniformed official.

One difference now is that Prague taxis are new Volkswagen Passats, not creaking old Volgas, and there has been an import boom in second-hand German cars. Czech motorists no longer have to choose between an appalling Trabant, Moskvich or Wartburg or, if luckier, a rear-engined Skoda or a Lada.

There are plenty of newish Renaults, Opels, Fiats and VW Golfs on the lightly-trafficked roads,although aged and battered Skoda Octavias survive in rural areas.

This time, though, I did not even have to stop at the border when leaving the country. A guard, seeing my British passport held up, just smiled and waved me through. That was when I realised things really were different.

The new Renault Safrane I drove from Prague to Zurich made its debut at the Geneva show last month and will reach Britain by autumn. It is a replacement for the Renault 25, which never made much of a mark in the UK. That was not the case in France where, even in the last year of its life, it outsold the much newer Peugeot 605 and Citröen XM combined.

The Safrane is Renault's bid for a larger slice of the market for top-of-the-range, volume-produced cars. Rivals include the BMW 5-Series, Rover 800, Saab 9000 and, of course, the 605 and XM from the PSA Group.

Last year, 1.8m of the nearly 13.5m cars sold in Europe were in the Safrane's size and price class. The affluent Germans bought nearly 44 per cent of them; France, Britain and Italy took around 11 per cent each. So, while Renault's main target clearly is the German buyer, it hopes to sell about 7,000 Safranes in the UK each year.

Initially, Britain will be offered only two-litre, four-cylinder and three-litre, V6 models. Mainland Europeans will have a much wider choice, including a petrol 2.2-litre and a pair of turbo-diesels.

The Safrane could be taken for a saloon with a separate boot but, like the 25, is actually a five-door. This seems odd when you recall how Ford was bruised by adverse reaction to its hatchback-only policy for the present Granada/Scorpio range. (It added a four-door a couple of years ago, and its long-awaited estate car version arrives in a few days). But Renault, while admitting that some Germans are not too keen on large hatchbacks, thinks the Safrane's virtues will overcome this drawback.

In two days and more than 500 miles (800 kms) of driving on everything from dry roads to packed snow, and in weather ranging from brilliant sunshine to blizzard, you get to know a car quite well. Both the three-litre V6s – one a five-speed manual, the other a four-speed automatic – impressed me as vigorous, comfortable and, above all, very quiet and refined mechanically. Their suspensions dealt nobly and almost silently with rough roads. At 130 mph (210 kmh) and over, they felt reassuringly stable and still ran quietly on the Autobahn.

Next day, I switched to a Safrane with a 2.2-litre, 12-valve, four-cylinder engine developing 140 horsepower compared with the V6's 170 bhp. It went nearly as well as the V6 on the Autobahn but, with little more than half the three-litre engine's torque (pulling power), lacked a certain urge on hills and demanded more gear-shifting.

The Safrane is a roomy five-seater with a generous boot. At the bottom of the range, ABS brakes will be an optional extra; but the poshest V6 will come with everything from leather seats to a self-levelling suspension that lowers the car automatically for high-speed driving.

UK prices have not been fixed, but it would be surprising if a two-litre Safrane with automatic transmission were priced at around the present tax-break figure of £19,250.

Bargain buys when you are in France

Off on holiday? ***Jancis Robinson*** *picks some wine bargains, while* ***Nicholas Lander*** *recommends some hotels and restaurants*

ONE OF life's great mysteries is why anyone ever buys a bottle of wine in a so-called duty-free shop – especially in France, where excise duty on wine is negligible anyway. You can usually save a pound or two on a bottle of champagne, but the over-priced still wines are to be avoided at all costs, especially at airports.

The two most arresting sights at Charles de Gaulle Airport recently were "Euro Disneyfication" in full swing, and the Château Haut-Brion 1984 offered there for sale at FFr380 a bottle, when it could be bought in a French supermarket for FFr199.

As this year's holiday season gets under way, British wine enthusiasts would do well to keep a keen eye on wine prices in France, particularly because, from the beginning of next year, returning Britons (like all EC travellers) will be allowed to import as many as 120 bottles of wine without any question of having to pay the UK chancellor's distasteful new excise duty of 86p a bottle. (You can bring in even more if you can convince Customs officers that it is really all for personal use.)

Britain's more aggressive retailers are said to be scouring the Channel ports for likely sites; personally, I fear for the nation's axles. A saving of £114-plus-VAT a head is quite an incentive to cram bottles into every possible corner of even the frailest of vehicles. I only hope that the ferry operators will take into account the dramatically increased weight of returning Brits – not just a few extra pounds on the waistline, but about 180 kilos (nearly 400lb) of *vin* per person.

But what sort of *vin* should it be? A trawl around French supermarkets reveals just how seriously they now take wine – fine wine, in particular. It would seem that any self-respecting Auchan, Carrefour, Euromarché, Leclerc and Monoprix has to have its treasured bottles of Château d'Yquem and, perhaps, an "off-vintage" of a first-growth claret, to reassure customers that it, too, knows what the famous names of Bordeaux are. And prices for off-vintages are revealingly low.

At Angers Euromarché recently, for example, you could buy a bottle of either Ch Latour 1987 or Ch Haut-Brion 1984 for less than FFr200 (£20), below the theoretical current wholesale price at source in Bordeaux, long before any taxes or margins are accounted for. (For these wines, Harveys of Bristol and London's Berry Bros & Rudd charge £32.22 and £40 respectively.) This, of course, is evidence of the dire straits in which the Bordeaux merchants now find themselves, having been forced to buy lesser vintages to secure their allocations of the good ones. (Many British supermarkets are similarly awash with 1987's less successful bottlings).

A better bet, for those who like their bargains to taste good too, would be the current special offer in Auchan supermarkets in the Paris region (centralised buying is rare among French retailers) on 1985 and 1989 clarets. No off-vintages, these. Ch l'Angelus 1985 is just FFr160 francs (£26 at Peatlings) while Ch Nenin 1989 is FFr95 (£14.99 in Oddbins' 1989 offer).

You might not want – or be able to devote – all of your 120-bottle allowance to such smart wines, but it is significant that French supermarkets can offer a range of *crus classés*, and the odd truly great wine, by the single bottle – even if many have reached the shelf via America and even Britain (check for slip labels, and that there is no seepage).

Montparnasse's INNO/Monoprix clearly sees itself as a wine showcase, with three vintages apiece of Chx Mouton and Margaux, including Ch Mouton-Rothschild 1970 at

> *'It makes sense to stock up on names familiar to the French'*

FFr1100 a bottle, plus that elusive jewel Ch Latour 1961 languishing on a dark shelf at FFr3200. (If you could find it in Britain, you would almost certainly have to spend more than £4500 to buy a whole case of it.)

Foires aux Vins, special wine promotions, have become an established fact of hypermarché life. Many branches of Leclerc will be in full fling this month. The Bayeux one, about an hour's drive from both Cherbourg and Le Havre, has a much better *cave* than the supermarket norm throughout the year.

But the most realistic wine value in France is under FFr40 a bottle (wines that would sell in Britain for £2-£7). The current rash of special offers on *petits châteaux*, Bordeaux's legion of small wine farms, can take supermarket wines as low as FFr12 a bottle for a fault-free claret which would cost at least £3 on a British shelf. It would also make sense to stock up on names more familiar to the French than the British – such as sturdy red Madiran, which could sell for FFr18 a bottle; Bourgueil (FFr26), or Sylvaner d'Alsace (white wine prices are not so hot this year, thanks to frosts a year ago).

Good specialist wine merchants, *cavistes*, are much thinner on the ground than in Britain. The *Guide Hachette des Vins*, a 950-page annual wine directory available in most French bookshops, lists fewer than 25 outside Paris. The Caves Jeanne-d'Arc, in Rouen's rue Jeanne d'Arc, is the most accessible to cross-Channel raiders.

For the true connoisseur, however, France's greatest duty-free treasures will be found *chez* the family that made them. The trick is to identify the quality-conscious goodies – rather than the avaricious baddies – which lurk behind the signs promising you *Degustation-Vente*. An investment of FFr150 in the *Guide Hachette* could repay handsomely in this respect: it lists most (not all) of France's top producers and the wines they have to sell, together with a price guide, star ratings, telephone numbers, opening hours, vinification details and even tasting notes for those (French speakers) who wish to impress as they taste their way through dark *caves* and dusty cellars: the very antithesis of airport shopping.

THE FRENCH might not be the first to admit it, but the British have been pioneers in discovering the country's hidden charms.

During the 19th century, when the French considered the Riviera far too hot, intrepid British travellers settled there to get away from the miserable British winter. The Promenade des Anglais in Nice was constructed at the instigation of the Reverend Lewis Way, an Anglican vicar, in 1822.

Today, in northern France, the situation is the reverse. The French head south in search of the sun, leaving the charms of northern France to the Dutch, Belgians and British. The biggest marketing problem indigenous hoteliers and restaurateurs face is that the consumers in their main domestic market – Paris – consider northern France too cold, too evocative of Emile Zola's coal mines, for their holidays.

Instead, since the 1920s, the British have been moving in steadily, bringing their most favoured pastimes with them. Golf or horse racing at Deauville, golf and a casino at Le Touquet where you can stay in the Westminster or the Bristol; and wonderful gardens at Varengeville-sur-Mer.

Although the scenery is different, the weather has the effect of making the British feel even more at home. The last time I was in Le Touquet, with a film crew it, was raining so hard we thought we would have to abandon the afternoon's filming. Half an hour later we were on the beach in weather that could easily have passed for a summer's day.

As soon as the rain threatened, we did what has become the latest British pastime in northern France, and dived into a restaurant for lunch. This part of France now offers the quickest fix for anyone in search of the pleasures of French cooking.

The fruits of the fishing industry still provide a living for a large part of the local population (Boulogne is the fishing capital of Europe) and some very sophisticated cooking, most notably at Montreuil, Cancale and further inland at Caen and Rouen.

The increasing foreign presence can be seen in the restau-

> *'Hedonists should head straight out of Calais'*

rants' car parks, where foreign number plates easily outnumber French ones. For anyone living in the south of England, it is cheaper and easier to visit northern France for the weekend than to discover the increasing number of gastronomic highspots in Scotland and Wales. Furthermore, French restaurateurs have always made eating out with children less difficult, first by accepting them gracefully, then by offering a children's menu without fuss.

Since the recession has hit demand from the UK, French hoteliers have been offering some attractive packages – at Château de Montreuil a winter package of £55 per person for room and half board has maintained occupancy and kept the restaurant busy. As the summer season begins, these deals will disappear until autumn.

If, as the Chunnel will increasingly dictate, you arrive at Calais, the best advice for the hedonists is to head straight out.

Go north to Teteghem, six kilometres from Dunkirk, to La Mennerie (tel 28.26.14.30); 40 kilometres south to the Moulin de Mombreux at Lumbres (21.39.62.44); or along the coast to the more numerous restaurants which surround Boulogne.

You can eat well at the Relais de la Brocante at Wimille (21.83.19.31); eat and drink well at La Matelote near the port (21.30.17.97) – the proprietor makes a point of matching different wines by the glass to each course; and at the Hostellerie de la Riviere at Pont de Briques (21.32.22.81).

Further along the coast, in the Le Touquet area, there is the plush comfort and excellent cooking of the Château de Montreuil (21.81.53.04), and the very particular charm of Les Pêcheurs des Etaples (21.94.06.90), where a simple restaurant sits above a fish market alongside a quay.

For the distinctive *cuisine du terroir* (for example, freshwater pike and perch), try the Bon Acceuil (21.06.04.21) at Attin, or Le Coq en Pâte at Argoules (22.29.92.09).

To the north of Dieppe the Abbaye de Valloires (22.29.97.55) offers accommodation in a 17th century setting, and Chez Mado on the Somme estuary serves cockles, mussels and its famous *sole du Crotoy* (22.27.02.22). In Dieppe the specialities of La Mélie (35.84.21.19) include a dish that incorporates thin slices of kipper and smoked salmon. Along the coast there is the Auberge du Dun (35.83.05.84) at Bourg-Dun, and at Veules-les-Roses, close to one of the centres of French gardening at Varengeville sur Mer, you can visit Les Galets (35.97.61.33).

The size and wealth of the population along the Seine estuary has created a large number of good hotels and restaurants. These include the hotel Ferme at St-Siméon (31.89.23.61), and the restaurant L'Assiette Gourmande (31.89.24.68) in Honfleur. Deauville has Le Spinnaker restaurant (31.88.24.40). In Bayeux there is the Lion d'Or (31.92.06.90), both to stay in and eat at, and the Argouges (31.92.88.86), for those who would like to enjoy a night in a former 18th century private house. Rouen and Caen boast their own culinary heavyweights. In Rouen go to Gill (35.71.16.14), L'Ecaille (35.70.95.52) or Le Beffroy (35.71.55.27), and in Caen, La Bourride (31.93.50.76) and Daniel Tuboeuf (31.43.64.48).

The culinary star along the north French coast, for those who have strength and stomach for the nine-hour ferry journey from Portsmouth to St Malo, lies 14 kilometres east of St Malo, opposite the magnificent Mont St Michel, at Cancale: the Maison de Bricourt, run by Olivier and Jane Roellinger (99.89.64.78). Specialities include Cancale oysters, lamb reared on local salt marshes and, like any thoughtful French hotelier, a children's menu at FFr120.

Cookery/**Philippa Davenport**

Good cod on Good Friday

SALT COD is the food of Mediterranean countries. I have always presumed they rejoiced in such dishes as *brandade de morue, le grand aioli, baccalao al pil-pil* and salt cold fritters because the fresh cod of cold northern waters was not available to them. And we, I presumed, ate only fresh cod, not salt.

Not so. Salt cod, I learnt recently, used to be important food in Britain, too. Right up to the middle of the 19th century it was regular fare in many households. The rich ate fresh fish too, when they could get it, but on certain days salt cod was eaten by all levels of society.

Indeed, until the death of Queen Mary, grandmother of our present Queen, salt cod was *de rigueur* at Marlborough House on Ash Wednesday and Good Friday. Then the salt fish was served, simply soaked, poached and flaked, with egg sauce, floury potatoes and boiled parsnips.

The combination of salt cod and parsnips is an ancient one, presumably because of the way the sweetness of the roots offsets the salt of the fish, and in Lent parsnips are usually at their best. A popular variation on the Marlborough House presentation was to serve poached salt cod in the piece, garnished with chopped or sliced hard-boiled eggs. In this case, parsnips appeared as a sauce.

In some parts of Scotland a preference emerged for mixing cooked and flaked salt cod with parsley, shallot and creamy mashed potato. The mixture was spread in a pie dish, dotted with butter and baked until browned. This rather sloppy sort of fish pie was served with egg sauce and – you have guessed it – boiled parsnips.

The Portuguese still make something similar, but they incorporate garlic and raw eggs into the fish and potato mixture, and they serve the finished dish with black olives and a green salad – a better contrast of colour, flavour and texture than parsnips.

The Portuguese are passionate about salt cod. They call it "the faithful friend" and claim to have as many recipes for it as there are days of the year. The best of this vast repertoire, in my opinion, the only salt cod recipe I really relish, is miniature salt cod fishcakes.

PORTUGUESE SALT COD FISHCAKES

First soak 8 oz salt cod in cold water for 24 to 36 hours depending on thickness, changing the water several times. Drain and rinse. Simmer the fish until tender (about 20 minutes) in milk and water to cover. Drain and cook 10-12 oz potatoes in the liquid.

Sauté a small finely chopped onion (and some garlic if liked) in a little olive oil. Mash the potatoes. Skin, bone and shred the fish. Mix both ingredients with the onion, a couple of tablespoons of chopped coriander or parsley, and 2 lightly beaten eggs. Season to taste.

Use floured hands to roll the cold mixture into ½ inch diameter balls, and cook until golden in a frying pan containing an inch of hot oil. These are delicious served hot or cold, as a snack with pre-dinner drinks, or for dinner with rice and a salad and maybe a garlicky mayonnaise.

In Britain, while the poor had no choice but to eat salt cod on fish days, those who could afford to often chose fresh fish instead. So far as cod was concerned, the head was considered the choicest delicacy.

Mrs Rundell described it, in *A New System of Domestic Cookery* in 1806, as "a very genteel and handsome dish", prized for its mixture of firm flaky flesh and rich jelly.

"Some," she says, "are fond of the palate (of the cod) and others of the tongue, which likewise may be got by putting a spoon into the mouth".

British squeamishness about fish seems to be a modern development. As recently as 1956, Dorothy Hartley recorded in *Food in England* that cod's head was still served in deep-sea fishing ports: "Fishermen say it is the best part of the fish".

Cod's head is a large cut, comprising two-thirds or more of the fish, the shoulder as well as the head (a thick shoulder signals good cod). It should be gently poached in court-bouillon (so the books instruct us) and, like a boar's head, it should be brought to the table elaborately garnished and garlanded with parsley, lemon and maybe grated horseradish.

Serve it (the instructions continue) with a fine oyster or shrimp sauce, and plain boiled potatoes or brown bread and butter. No parsnips. No eggs.

I confess I have not tried it myself, my excuse being that cod's head was not to be found in these parts last week. I turned my attentions instead to cooking more readily obtainable thick slices or steaks of fresh cod, hake and ling, all members of the same family.

First of all , I cooked hake as described by Elizabeth Ayrton in her book *The Cookery of England*, following an early recipe she had adapted for LING AS YELLOW AS A GOLD NOBLE. To make this, the pieces of fish are rubbed with cut onion, seasoned and thickly coated with oatmeal, fried briefly in butter, and packed into a shallow fireproof dish. Chopped onions and diced parsnips, fried in butter until soft and golden, are packed into the gaps and over the fish.

Court-bouillon, turned clear gold by the addition of saffron, is poured over, then the dish is covered and slipped into a moderate oven to complete cooking. It is unusual, as she says, and I commend her advice to replace the parsnip, if you dislike this vegetable, with carrot. A generous handful of chopped parsley and a few black olives added at the end are, I think, an improvement.

My own suggestion for this Good Friday is simpler still.

HAKE (OR COD) WITH TARATOR is a dish which features neither parsnips nor eggs. I partner it instead with lightly boiled or steamed green beans and a floury variety of potato sprinkled with plenty of chopped green coriander.

Make the tarator sauce first, a day or two ahead if you like. Whizz 4 oz of flaked almonds in a food processor to reduce them to a coarse powder. Add 1 oz bread which has been soaked in cold water and squeezed dry, and 4 to 8 garlic cloves sprinkled with salt and crushed with the back of a knife. Pour on 4 fl oz olive oil mixed with the same amount of water, processing as you pour, to blend the ingredients to a thin creamy porridge. Season with salt, pepper and lemon juice and chill until needed.

For the fish, take 6 hake or cod steaks about 1 in thick, choosing whichever is fresher. Put the fish steaks in a baking dish with sea salt and pepper, 1 tablespoon of olive oil and half as much lemon juice. Turn the fish to film all over with the flavourings and leave for an hour or so, turning the fish over occasionally.

To cook, cover the dish and bake at 400°F (200°C) gas mark 6 for 12 minutes, or until the fish can be pulled easily from the bone. Beat the cooking juices into the chilled tarator sauce and garnish the fish with chopped fresh coriander and wedges of lemon.

If you prefer, the fish can be cooked on top of the stove rather than baked: put it in a pan, pour on hot court-bouillon to cover and poach very gently for about 8 minutes. Cod will cook a little quicker than hake.

Mixing it in the backwaters of Thailand

Kieran Cooke recalls dazed nights sipping an electrifying rice whisky with the kick of a mule

YOUR starter for 10: What is Mekong? Ah, you say, no problem. "Mighty river flowing through Indo-China, for centuries one of the great arteries of the world, dividing baking-hot rice fields, plains and mighty jungle covered uplands..."

But hold on. Listen again. It was not Mekong. It was Mae Khohng. Something different altogether, though from the same part of the world. If you have the answer then you win a pair of dark glasses and a lifetime supply of liver salts.

Mae Khohng is a form of whisky made of rice and various electrifying ingredients, including molasses, a special mould and yeast. It is unique to Thailand – though once I stumbled on a bottle on the back shelf of a dingy wine shop in Paris. It is a drink to be approached carefully, like a dangerous looking animal. But treat Mae Khohng the right way and it is magical. I first came across Mae Khohng in the northern Thai town of Chiang Mai in the early 1970s. Beer was too expensive an accompaniment for long evening meals at the night market. Mae Khohng was the local tipple. One sip and I was hooked.

For starters, it was cheap: 25 Thai Baht – about £1 at the time – a bottle. The mix is the most vital part of the drink. Mae Khohng drunk straight is lethal, equivalent to a hefty kick from a very angry mule. Instead there is a ritualistic mixing process.

For this, you could have no better guide than Major Roy Hudson, a great character in the 1960s and 1970s in Chiang Mai. He wrote a guide to Chiang Mai, and dealt extensively with the mysteries of Mae Khohng. The mixture he favoured was the Barkowsky, named after a renegade Polish artist who lived and drank in the town.

"Pour one and a half fingers (a generous peg) into a crystal glass. Add ice and (this is the master touch) a squeeze of lime. Top up with sparkling soda. Float on a couple of slices of lime (optional)."

Major Hudson, Poona Club member and former commander of the Nawab of Malerkotla's Engineers in Burma, described Mae Khohng as "probably the best drink east of Suez." It was certainly seductive on those long evenings, as a few of us would sit watching the world go by, breathing in a heady mixture of night jasmine and exhaust fumes.

One of the difficulties was that the Mae Khohng and the soda would never keep an even pace with each other. You would buy a quarter bottle of Mae Khohng (for about 30p) and order a bottle of soda. After a while you would need more soda (which cost about the same as the Mae Khohng). Then you would discover that the Mae Khohng was finished but there was still most of a bottle of soda left. More Mae Khohng would then be ordered. Soon, one could develop what Americans would refer to as "a problem".

Meals would often be shared with Bob Cooper, an anthropologist who does worthy work running a refugee camp in the far north of Thailand. We used to bet the bill on the one who guessed the date of the Mae Khohng vintage. The production date, according to the Buddhist calendar, would be visible on the inside of the label. It was always very young, sometimes premature, with a date still to come showing through the amber liquid.

Since the early 1970s Thailand has changed a great deal. The country's economy has boomed. The tourists have flooded in. Bangkok now vies with Mexico City for the title of world's most polluted capital. Chiang Mai has been transformed from sleepy town to bustling metropolis. Thais have taken to consuming more sophisticated, imported drinks. Mae Khohng is not so widely available as it was.

I know Cooper is still going strong. I hope Major Hudson is, too. If so, somewhere in northern Thailand there will be a table covered with Mae Khohng, soda bottles and lime skins. And two figures, looking a little dazed, discussing Burma, Buddha and the date on the inside of a bottle.

■ *More food and wine on: Page XII*

HOW TO SPEND IT

Why lean times stretch ahead

***Lucia van der Post** has been delving in the depths of her wardrobe for skirts which fit the latest fashion dictat*

I KNOW, I KNOW... you have just got a nice little collection of sexy, snappy suits together. There they are, in different colours, the sassy, curvy jacket, the short Lycra skirt, the wardrobe of toning tights, the flat pumps. You feel good in them, you look good in them. And what does Paris do?

It produces one of the strongest most directional collection of shows for years. The message it sends loud and clear is that the silhouette has changed. Short and sassy is for yesteryear. Long, narrow, simple and strict is what the new look is all about. Sometimes Paris speaks and nobody takes a blind bit of notice. This time Paris has spoken and the fashion set has listened.

Two weeks ago, it seems, came the big divide. Sharply-turned-out women left their offices on Friday evening in their tights or leggings, their short skirts and their little jackets. By Monday half of them were toffed out in long narrow skirts, shops were pushing their short skirts to the back rails and highlighting their windows with the longer, leaner silhouette.

In Paris these things are, of course, matters of deep import. It is not enough to wear the things, they have to be discussed, VERY SERIOUSLY, as well. Pundits on television have been heard muttering: "*Le mini c'est terminé*" or "*une chose c'est certaine, le mini est absolument abandonné*".

The news need not be as depressing as it sounds. Anybody who has any nous knows by now that you do *not* throw out all your old clothes when fashions change. You get them cleaned and you pack them neatly away for when the pendulum swings back. Most of us have in our wardrobes several long skirts from last time around so stifle any inclination to rush and buy until you check out the clothes you have.

Possibly your first buy should be a long jacket or narrow sleeveless waistcoat to team with an existing skirt, because the silhouette does require a longer, leaner top than the sassy jacket. Almost all the snappy chain-stores have them – I have seen inexpensive versions in Hennes, Oasis, Next and Warehouse while they come beautifully cut, very classy and more expensive from Whistles and MaxMara.

Lucille Lewin, whose sharp eye and intuition for the way the fashion wind is blowing is behind the Whistles chain of shops, thinks the arrival of the long skirt is one of the best things to have happened to fashion in a long time.

She says: "We're very excited about the long skirt. It has completely resuscitated the fashion business. We've been selling them since just before Christmas and customers seem to love the new look.

"The skirts can be worn lots of ways – with a knotted shirt at the front, with a body or a lean, long-line waistcoat or jacket or with the soft, floaty little shorts underneath that are a very strong look this spring. The long skirts can either be sarong-style or 1960s-style buttoned-up the front (for a lady-like, feminine but sexy look, leave a couple of buttons at the bottom undone)."

It also, I am afraid, means different shoes – either high heels or mini-boots or the coming fashion for – yes, I'm sorry, but it's true – platform soles.

In fashion and PR offices up and down the country the young are more excited about long skirts than they have been about anything for a long time.

They are either rushing to buy the inexpensive versions that are already beginning to arrive in chains like Oasis (a good sarong-style for £21.50), Next (a particularly elegant side-buttoning version in corn-coloured linen for £44.99) and Miss Selfridge or else the prudent ones, who never throw anything away, are digging out their long skirts from several years back.

New in the shops though are long slender dresses (like the one from Whistles sketched here) and the very soft shorts, almost like French knickers.

For those who do not fancy wearing long skirts – they are undoubtedly less practical and harder to rush around in than the short skirt has been – trousers are the obvious alternative and were in ample evidence at all the Paris shows.

If you are at all worried as to how the new proportions will suit you find a really good assistant in a shop you trust (the Whistles branch at 12 St Christopher's Place, London W1 has some particularly good ones). Take your time and experiment.

You will find that there is always a way of adapting a current look to suit almost any shape and size.

In the meantime do *not* throw away your short skirts. Take a leaf out of Lucille Lewin's notebook. "It's not the time to be throwing anything away. I still wear my short skirts sometimes, I just wear them in a much more graphic way, teaming them with long sweaters so that just a little bit of skirt peeps out from underneath."

At Chanel they are easing in the long skirt – for spring they expect still to sell more short than long but come winter they expect customers' eyes will be well and truly tuned to the new lengths and a long-line suit will set you back some £1,300. For summer there are a few thick-soled shoes on sale (clogs, for instance, at £265, in black and beige leather) but by the winter there will be full-blown platform soles

DRAWINGS: Nicolette Elsdell

£85. Both from all branches of Whistles as well as from Whistles branches in Harrods, Selfridge and Fenwicks of Bond Street. Worn over them is a long-line button-through wine-coloured cardigan-cum-frock-coat, £140, from all branches of Whistles.

TOP LEFT: A sweet-as-pie suit, featuring another version of the long-line skirt – this time a button-through with the last few buttons left undone. In black and white or dusky pink and white flecked viscose, by Klem, the skirt is £135, the jacket £190. From Whistles branches.

TOP RIGHT: Demure long-line dress in fluid polyester crepe – £110 in yellow or black from Whistles shops.

MIDDLE: Wrap-over sarong-style skirt in toffee, butterscotch or chestnut viscose jersey, £30, topped with this season's hallmark shirt – the tie-front – in 100 per cent silk chartreuse.

Old clothes, new money

Alice Rawsthorn on the craze for collecting antique haute couture

A LITTLE black dress goes on sale in Paris this week. It is not exactly new and the fabric is torn in a few places. The owner is open to offers – anything from £5,000 upwards.

The dress is a velvet evening gown designed by Balenciaga in 1950. It is one of the star lots in La Mode Dans l'Art, a sale of antique *haute couture* being held on Wednesday afternoon by Millon & Robert, the Paris auctioneers, in the Drouot auction rooms at the back of the Paris Opéra.

Until recently antique couture was only of interest to the obsessive – the fashion fiends who would rummage around jumble sales, charity shops and costume auctions in the hope of spotting a late 1930s Schiaparelli ball gown or an early 1950s Christian Dior day dress.

The market is now much more competitive. There are more dealers and more collectors. The costume shops of London, New York and Paris are crammed with Japanese tourists searching for early Chanels and Yves St Laurents. The best pieces are snapped up by auction houses – Millon & Robert in Paris, or Christie's in London – to be sold for thousands.

At a time when prices elsewhere in the art market are plummeting, the cost of antique couture is rising. Perhaps the best indication of the market's strength is that *the* most expensive piece in this week's Millon & Robert sale is one of a pair of Louis XV fancy dress costumes designed by Balenciaga for Barbara Hutton, the Woolworth heiress, and her partner for the 1951 Bestegui ball in Venice. One of the costumes was auctioned by Christie's in London last summer for £3,080. Less than a year later it is back on sale at Millon & Robert, this time with a minimum reserve price of FFr60,000, or about £6,000.

Only a very special piece of couture would be worth as much as £6,000. Balenciaga is one of the few couturiers whose work commands so high a price. Françoise Augen, who organised the Millon & Robert auction, reckons the others are pre-war Chanel, Paul Poiret in the early 1910s, Christian Dior's New Look in the late 1940s and early 1950s, and anything by Charles James or Jacques Fath. Susan Mayor, director of costume at Christie's in London, would add Vionnet and Schiaparelli before the war.

"The value of a piece of couture depends on so many different things," says Mayor. "The condition, of course, but a piece will be worth much more if it was worn by a famous client or a favourite mannequin, if it appeared in fashion magazines at the time and, most important, whether it was a key piece in the designers' development."

An auction house such as Christie's is only really interested in pre-1960s couture. Although there is a market for more recent pieces, particularly for 1960s Paco Rabanne and early St Laurent, Christie's only buys *haute couture*, never *prêt-a-porter*, and only if it is in mint condition.

Anyone wanting to sell tattier couture, their mother's old Chanel *prêt-a-porter*, or anything made since the 1960s would be better advised to go to a dealer. Didier Luct, one of the best-known Paris dealers, buys old couture, Chanel suits and Hermès bags for his shops in the Palais Royal. He pays half the price of sale – £300 for a Chanel suit he would sell for £600, or £1,500 for a crocodile Kelly bag to be sold for £3,000 – and sends everything to be cleaned, repaired or renovated.

It is only in the last four or five years that the antique couture market has really taken off. The original collectors came, unsurprisingly, from the fashion world. Among the designers, Azzedine Alaïa has a wonderful collection of Vionnets and Issey Miyake has been buying for years. Anna Piaggi, the Italian fashion editor, is another long standing collector as was Tina Chow, the model who died earlier this year and whose collection is now on show at the Fashion Institute of Technology in New York.

There are now more collectors around. Museums, such as the Metropolitan in New York and the Victoria & Albert in London, are allocating more space to couture in their collections and tend to take the cream of the auction lots.

These days life is much more difficult for the early enthusiasts. Hamish Bowles, style director of Harpers & Queen magazine, has been an avid collector since buying his first piece of antique couture – a late 1950s Balenciaga suit – 15 years ago at a charity bazaar. He still scours charity shops in London and races around the thrift stores whenever he is in New York, but most of his recent purchases have come from auctions, after tip-offs from dealers or from "friends of friends who know someone who wants to sell something."

"I still sometimes find the odd bargain in charity shops," he says. "But it's becoming far harder to find anything really good. There are so many more people buying these days and they really know what they're looking for."

There are some consolations. The couturiers themselves are more aware of the value of their work. Christian Lacroix saves at least one example of everything he makes. And the thrift store bargains of the 1970s and early 1980s are much more valuable. The Balenciaga that Hamish Bowles bought for £3 all those years ago is now worth £300 or £400.

A hand-embroidered black velvet evening dress by Balenciaga to be auctioned by Millon & Robert in Paris next Wednesday. Anything from £5,000 will do . . .

Nice, neat nighties

DAMASK SELLS finest white cotton voile nighties, delicately hand-embroidered or hand-smocked. It sells old-fashioned tablecloths, white cotton embroidered ones with matching napkins or patchwork cloths in Provençal-style prints or soft chintzy prints.

There are plain, white, hand-embroidered sheet sets and a host of white-on-white embroidered pillowcases to choose from. Then there are all those old-fashioned accessories that one seldom buys for oneself but make lovely presents – padded hangers, nightdress and handkerchief cases, shoe-bags, all delicately made and beautifully embroidered.

The pure cotton bedlinen is possibly of greatest interest – a refreshing change from the boldly coloured and violently patterned bedlinen that has been in vogue for so long. Hand-embroidered sheet sets are £99 for a single, £122 for a double. Duvet covers vary from £64 to £115 for a single size, depending on the amount of embroidery. Pairs of pillowcases can be bought for £30, continental square pillowcases for £35.

For those who like their bedlinen simple, there are two charming bedspreads – Arlette, which is in woven cotton with a medallion centre design (£92 for a single size) while Amaryllis, in white and cream, starts at £105 for a single.

The embroidered cushion covers, mostly in boudoir mode, are also charming and range between £26 and £30 while nightdress cases are £23.50.

There are many different nightdress and nightshirt designs – some with sleeves, some without, some in very fine cotton, some in heavier, some with matching negligées, some without. All either hand embroidered or with fine pintuck detail which gives them a delicate old-fashioned air.

Although almost all the Damask range is stocked by shops all over the country (from The General Trading Company in London and Bath to Chintz and China in Thornhill, Dumfries) Damask also runs an efficient mail order service.

■ For a brochure write to Damask Furnishings & Finery, Unit 10, Sulivan Enterprise Centre, Sulivan Road, London SW6 3DJ (tel: 071-731-3470) enclosing £2.50. The £2.50 is refunded on purchases over £25.

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HOW TO SPEND IT

How your phone reflects you

***Paul Keers** looks at the sophisticated equipment now available for home and office*

LOOK TO your telephone – *it could be telling us* more about you than you really want us to know. Here, power and status is, literally, at your fingertips.

Once, the complexity of your telephone was a matter of office politics, its sophistication another sign of your position in the corporate hierarchy. But, like so many symbols of business success, the complex, multi-function telephone has now moved on from the office to the home.

When the British Telecom monopoly on telephones ended in 1983, there was a rush for domestic novelty phones that looked like anything from a car to a cartoon character. At the other extreme of the style dial, there was a trend among the designer set for refurbished black Bakelite instruments from the 1930s. Clearly, both of these fashions were more concerned with a phone's appearance than its performance.

Gradually, though, the home has become a place to start or complete the day's business – an extension of the office in more ways than one. Indeed, some executives no longer confine their endeavours to office hours; doing business globally can mean making calls at all sorts of unattractive hours. Talking, say, to New Zealand can be done more comfortably from the study at home than the desk at work, simply because of the time difference.

So, many of us now need to equip our homes with office-standard communications. As a result, electronic retailers are selling telephones designed originally for companies but bought increasingly for domestic use. In conjunction with the new exchange services offered by BT, they are effectively removing the distinction between home and office telephones.

The sophisticated equipment marketed by Panasonic epitomises the advanced functions people are demanding for their homes. Like most modern phones, all Panasonic's have musical touch-tone dialling which is faster than old-fashioned pulse dialling.

Tone dialling means you can conduct many of the new phone-in services – such as NatWest's Action-Line home banking – directly from a keypad. And on modern BT exchanges, tone-diallers can also subscribe to facilities like Call Waiting (which puts incoming calls on hold) and Call Divert (which reroutes them to another number). You cannot do this with old-fashioned phones: 1930s equipment often means 1930s services.

Many of the new phones offer hands-free operation where you can talk without picking up the receiver – the so-called speakerphones. And there is a memo function which allows you to tap-in a number while someone is dictating it over the phone instead of writing it down with a pen.

When you make a call using a number in your telephone's memory, an LSD display will show what you have just retrieved and then time the duration.

Then, there are the memory functions. pHones now routinely offer between 18 and 48 "stations" – ie, numbers held in the memory which can be retrieved either by pushing a single one-touch button, or by speed-dialling two digits which retrieve a much longer number. And they offer not just last-number redial but also chain dialling, which will re-try engaged numbers automatically until you get through.

Why should you need such things at home? Well, Essex Man can use his to get through on radio phone-in shows (no one with a traditional telephone can possibly dial-in faster than Barry in Basildon with Capital Radio's number programmed into his phone's memory).

By the same token, you can use them for such things as calling theatre box offices (which are *always* engaged when you ring). This way, you can hit just one button and call them back effortlessly until you are connected.

(Of course, a real prestidigitator has no need of speed-dialling. Hollywood star Warren Beatty is famous for using all five fingers to push the buttons, like somebody drumming their fingers on the tone pad, and he is said to be able to dial a 10-digit number accurately in exactly one second).

You can probably remember your relatives' phone numbers and have little need of speed-dialling from home. But a multi-function home telephone also communicates in terms of image. It suggests you are the kind of person who needs to communicate and keep in touch at all times; a person whose calls cannot be restricted to the nine-to-five routine. And your real status is suggested by the ease with which you make those calls. Your status is proportional inversely to the amount of work you must do in order to communicate.

At the top of the tree is the executive who simply calls to his assistant: "Get me Jones in New York" – and picks up the receiver only when Jones is on the line. At the bottom is the minion who has to look up the number, dial the 16-or-so international digits, dial them all again if he gets a busy signal, and must then wait to be connected and put through.

The less work involved in making the call, the more powerful the caller. Thus, the telephone equipped with single buttons to dial and redial numbers, take memos or hold calls has become a symbol of success only a notch below employing the secretary herself.

(The only function that the manufacturers have got wrong in this sense is the speaker-phone. In terms of status, you should not be using one yourself but forcing others to use them. Ideally, you are in a position to make five other people pull up their chairs and gather around a speaker-phone in order to hear your words.

If, as the American publisher Michael Korda said, the true measure of success is the number of people you can inconvenience, then the speaker-phone is the best way of demonstrating your status.)

A home telephone is for making business calls, not for receiving them. None of the modern facilities improves reception but all of them help in dialling out. Which is just as it should be, because the only people who have the right to call you on business at home are people in a more powerful position. You do not call the boss over the weekend - he calls you. And so, your ability to make calls reflects your significance – your availability to take them indicates inferiority.

Returning calls in your own time reverses the equation. Mark McCormack, head of the International Management Group, says: "I seldom accept any phone call. I would rather deal with it in my own time and when I can focus my attention on the call, rather than on what it is interrupting. Initiating a phone call also gives me more control and time to plan what I want to say."

These telephones are no longer expensive. At branches of Dixon's, you can pick up an Audioline Tel-45 speaker-phone with a 20-number memory for £24.95. The Panasonic range starts at under £30 for an Easaphone model with a 36-number memory. For £120, there is a Panasonic that can handle two separate lines, holds 40 numbers in memory, has an LSD display – and makes you feel you are ringing the takeaway from Houston Control.

Retail chains like Dixon's, Ryness and Lasky's all carry ranges of advanced phones but they tend to concentrate on cordless models and answerphones. For serious desktop equipment – and the Panasonic range, in particular – visit the electronics stores on Tottenham Court Road and haggle for the best price.

Remember that what you are looking for combines the greatest degree of sophistication with the least amount of effort. That's right folks – don't touch that dial!

Food

Shopping out in Paris and London

***Giles McDonogh** compares shops in two of Europe's great cities*

ALTHOUGH I have been back in London for seven years, I still find it inconvenient. Food shops are open neither early nor late. If you have run out of bread or milk at breakfast time, you must do without. As early as 4.30 pm, fishmongers and butchers are wiping down their slabs and preparing to shut; by the time most people leave work they have closed, leaving the supermarket chains as the sole source of fresh food.

In some ways, I am luckier than most. I live in Islington, a well-favoured part of town close to the West End. Steve Watt, London's best fishmonger, is only five minutes' walk away in Essex Road; there is no lack of decent butchers; and the Chapel Street market provides cheap fruit and vegetables (although nothing that might be called exotic). The chains include

Sainsbury and Marks & Spencer in Liverpool Road and The Market (the best for wine but the worst for virtually everything else) round the corner in Upper Street.

The problem is that I have never wholly got used to shopping in supermarkets. As a single man I am never sure before the evening whether I am staying in or going out. Consequently, I decide what I am going to eat at seven or so. By that time, the only solution is to rummage through the meat selection at the supermarket: never a thrilling prospect.

Life would be easier if I admitted the existence of convenience foods, but I do not; I refuse to stockpile food and have the deepest horror of deep freezes. The result can be a sadly monotonous diet of steak or chops.

Paris was altogether different. I lived in the French gastropolis for seven years before returning to London: pretty well everything was available when you needed it and, in spite of a number of changes for the worse, it remains a gourmand's paradise.

At some time or other I have lived in almost every one of the city's 20 *arrondissements*, but the area I know best is Montparnasse. It is a Parisian village like any other; nothing particularly special by local standards. On Wednesday and Saturday mornings, a market covered a length of the boulevard Edgar Quinet in the shadow of the Montparnasse Tower. On Tuesdays and Fridays, another morning market could be found along a stretch of the boulevard Raspail. If you needed a market open in the afternoon, Thursdays and Sunday mornings, there was the rue de Buci on the other side of the Luxembourg Gardens, providing a useful objective for a Sunday morning walk.

What made these three markets so different to Chapel Street was the variety of produce on sale. Stalls groaned under fresh poultry, neatly-trimmed legs of lamb or Mediterranean fish. A Norman farmer would arrange his own Camemberts and fromage frais on a trestle table. Piles of ceps and chanterelles appeared in season. Moreover, every stallholder was on hand to volunteer information on how best to prepare what was being offered.

Within a few hundred metres of my door there were a dozen bakers, all of whom were working long before I had even thought of breakfast. Some used ready-made dough, but it was not long before you realised who was good and who was not. On the other side of the boulevard de Montparnasse, in the rue Delambre, a fishmonger followed the nice old custom of popping a lemon and a bunch of parsley into your bag with the fish.

A good cheesemonger was next door while, at the end of the street (now, sadly, gone), a real craftsman charcutier was open on the generally miserable Mondays to sell fresh pork and those juicy steaks the French call onglets. All the local shops were open to 7.30 pm, making last-minute shopping the rule for most busy working people. While Monday reduced some people to the horse butcher, Sunday mornings were like any other. Even at Christmas, you could still shop in the morning and drop into one of the local brasseries to buy a few dozen oysters to serve your friends before the festive lunch.

The only time when Paris seemed as barren as London was during August, when the shopkeepers had an unfortunate habit of disappearing *en masse* on family holidays. During that month, the few of us who remained to face the tourists exchanged precious addresses: a launderette, a tobacconist, a butcher or a fishmonger which had decided to take its holidays a month earlier.

But standards have slipped. Many bakers are supplied from industrial concerns, while charcutiers and patissiers often sell the same Russian salad or fruit tart. But Paris is a long way from descending to the level of London.

Part of the reason is that the local shops and markets remain viable for working men and women in the late-20th century by opening early and closing late. In England, the supermarkets deserve their victory over the small shopkeepers: only they were wise enough to adapt to changing times.

Trevor Humphries

David and Sheba Blunden, in their workshop in Acton, West London. The oval basket (a decorative fringe for a vase) that David Blunden is holding is a spare from a pair given to Eisenhower by the British ambassador, and made by Gilbert's. The originals still sit in the oval office

Right down to the wire

***Peter Knight** meets a couple who bend and shape metal any way you want*

WHAT YOU see in David and Sheba Blunden's shop is definitely not what you get. The place, incongruously planted in the less salubrious side of run-down Acton, in west London,looks like a shambolic fusion of Steptoe's yard and the Sheriff of Nottingham's torture chamber.

But what emerges from the shop's dilapidated frontage are the most exquisite and delicate works in wire, such as hanging baskets, conservatory pot-holders-cum-chandeliers, decorative rose arches and Victorian jardinières.

David, Sheba and their five workers make by hand virtually any wire object, from a fire guard to a strawberry crinoline conceived by Joseph Paxton.

"The crinoline was designed because slugs can't jump. You can therefore train the plant up through the middle and the strawberries hang through the gaps without touching the ground," says David.

Garden and interior designers have re-discovered the functional beauty of decorative wire work, and with it James Gilbert & Son, the Blunden's business started by David's ancestors in the early 1800s.

It moved from Islington, north London, to its present premises, known as the 'new' shop, in 1881. The green facade must have been painted since then, but with the grime thrown up by the passing traffic and the damage caused by carrying tonnes of wire through the narrow door, it is hard to tell when.

"Look," says David, whose turnover is around £1m a year and who is clearly irritated by prissy visitors commenting on the shambles, "I could spend about £30,000 on the frontage and I'll bet you I wouldn't sell a penny more wire. If people want to find me they will."

And they do. Hurlingham Club needed new guards for its croquet lawns and they came to David, who discovered that Gilbert's had made the originals. When wire grilles were needed to keep pigeons out of the arrow slits at the Tower of London, the restorers came to Gilbert's who made 48 individual guards out of hand-woven copper wire.

The owner of Europe's biggest private conservatory, at a stately home in Nottinghamshire, needed his set of hanging baskets repaired and trucked them to Acton.

"These are really big baskets, about 9 ft across. We made them in the late 19th century and they have been in service ever since," says David.

Wire, as long as it is properly treated, can last a long time, sometimes more than 100 years. This is essential news for those uninitiates who are used to cheap plastic equivalents or mass-produced articles, because the price of decorative wire can seem steep.

A simple hanging basket from Gilbert's costs around £150 – some are cheaper but others are a lot more expensive. A plain rose arch is about £40 but the more decorative versions range from around £350 to £850. VAT must also be added.

Gilbert's carries very little stock and most of the merchandise is made to order. If customers don't have a clear idea of what they want, David guides them through the shop's original Victorian catalogue.

This can be a somewhat uncomfortable experience because there is minimal light and little space to pore over the fascinating designs on yellowed pages.

David's office is just big enough for his chair, coffee cup, collection of books – including such titles as *Wire Industry Machinery Guide 1982* and a thin roll of fine mesh woven in prime phosphor-bronze, worth about £4,000.

"We particularly like one-off commissions. Many of the things we used to make are now available cheaply in plastic so we now concentrate on the more decorative and complicated work that can't be mass produced," says David.

He has kept alive the skills needed to bend wire. He makes some of the pieces in a converted piggery near his East Sussex home, providing training and jobs for villagers.

David does not like change. His office might be equipped with a fax and telephone but this is the only evidence of the 1990s. The main tool in the Acton shop is a terrifying machine dating back to 1906. Its job is to take wire and crimp it into shapes that are suitable for making, say, a grill mesh. The steam engine which used to provide the power has been replaced by an electric motor but the rest of the Heath Robinson contraption is unchanged since the turn of the century.

David tried a new machine once but sent it back when it failed to do the job as well as the original. This experience has reinforced his winning prejudice of sticking to established methods and traditional tools.

"If I start changing things it will probably all go wrong," he says.

■ James Gilbert & Son, 129 The Vale, Acton, London, W3 7RQ. Tel: 081-743-1586. No catalogue but personal callers welcome.

Out of Africa . . .

IN WESTERN cities, where most of what we buy is machine-made, mass-produced and standardised, the hand-made products from countries that machines and quality controls have failed to reach often have a refreshing innocence.

The fabrics, the jewellery, the artefacts used in daily life, remind us of simpler, happier days when dyes ran, seams came apart and sizes were not always what they purported to be but nonetheless, some spirit of the person who made them lingered on, imbuing them with character and charm.

Neal Street East, which is finding the recession long and grey, has decided to bring a shaft of sunshine to Covent Garden with a selling exhibition of textiles, jewellery and crafts from different corners of Africa. It starts today and runs until the end of May. Although much of what will be on sale is contemporary all of it is made by hand and usually by traditional methods.

Probably of most interest to most people is the jewellery from north Africa, such as the Berber dance necklace photographed right. Made from African "silver" and amber (the resin copal), the necklace itself is £32.50 and the "silver" Ethiopian Cross is £75. Much of the jewellery mixes old and new pieces – old millefleure trading beads, with the pattern going right through the bead, like seaside rock, are combined with silver or coral or African amber. Some of the Coptic crosses from Ethiopia are old, some contemporary. There are Berber bead necklaces with gold smelted onto the beads, there are earrings, necklaces and bangle boxes made from enamelware and coral necklace with amulets.

From Botswana there are baskets made from the fibre of the vegetable ivory palm tree. They are made mainly by the women of the Bayei and Hambukushu tribes. Though, sadly, today many of the baskets are made on coarser, broader coils, Neal Street East has made a point of seeking out the finest, most delicate work still being done. Prices will range from £25 for small open baskets and go on up to £150 for a large almost laundry-size one.

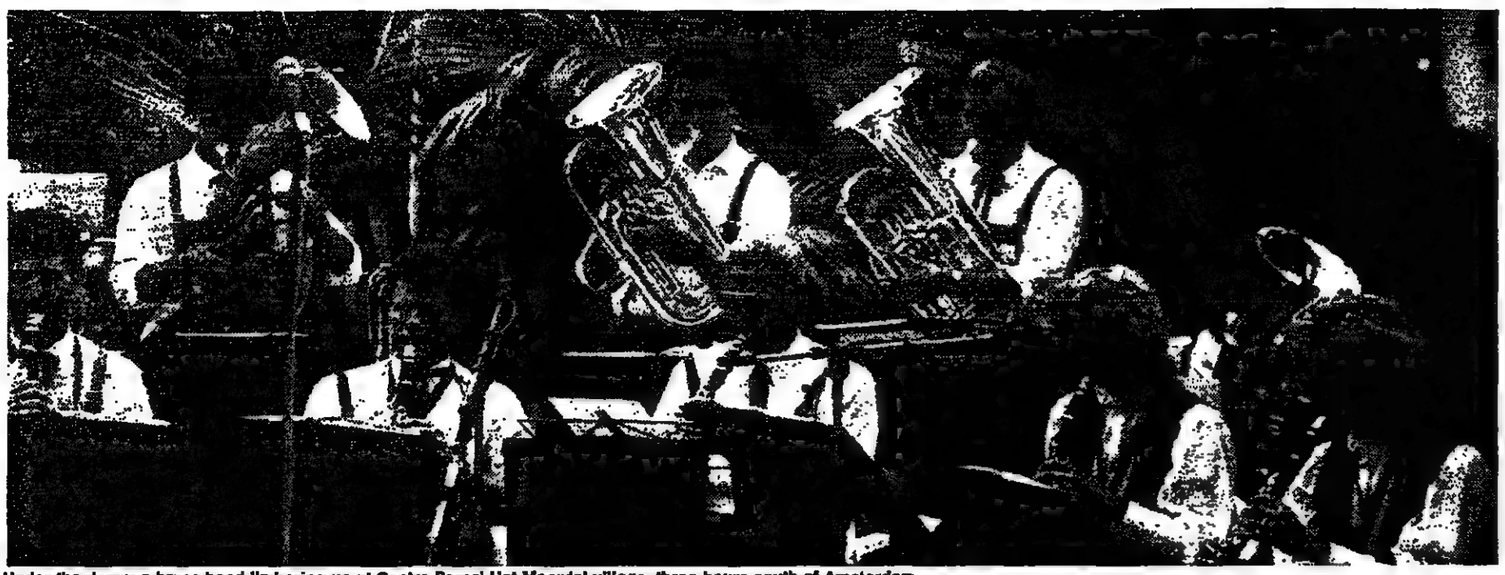
Perhaps most enchanting, although harder to find a use for, are the African fabrics. The traditional mud cloth of the Bambara people of Mali, Bokolanfini, made from locally-grown cotton, traditionally combines a traditional dark, almost black background, and creamy geometric patterns. Sold by

the piece, prices start at about £60. Use them as throws, curtains, wall-hangings.

Enchanting in quite a different way is the Korhogo cloth from the Ivory Coast - embellished with strange animals (one half cat, half tiger), with fish and guinea-fowl, with goats and strange symbolic hunters and shamans. Once all these figures were imbued with meaning, based on age-old stories and traditions, today they are mainly produced commercially. This is not the sort of fabric to cut up and turn into clothes – buy it by the piece, use it for throws, cushions, wallhangings. Prices start at about £65.

■ *Neal Street East is at 5, Neal Street, London WC2.*

Lucia van der Post



Under the dome: a brass band limbering up at Centre Parcs' Het Meerdal village, three hours south of Amsterdam

Welcome to the pleasure dome

***Richard Gilbert** enjoys a return visit to a Center Parcs all-weather complex*

IN 1967, Piet Derksen, the Dutch founder and chairman of Center Parcs, had a vision of the ideal holiday experience. It would be, he said, "a holiday the weather couldn't spoil, with every imaginable facility built in, combining the flavour of the country club, the health farm, the sports complex and the villa holiday." To which the only answer might well have been: "Come off it, Piet – have another pils and stop dreaming."

Today, though, there are 12 Center Parcs in Europe – seven in their native Holland, two in Belgium, one in France and two in England.

The occupancy rate rarely seems to drop below 95 per cent: the company, now part of Scottish & Newcastle Breweries, increased its net profit last year, and the concept envisaged by Derksen seems custom-built for sun-starved, environmentally-aware North Europeans who want to take short breaks in man-made forest villages.

Impressed by my first exposure in 1990 to the Center Parc formula at the Elveden Forest village in Suffolk, I became part of the repeat trade and took my unprotesting family last year to Holland, to see how the Dutch run their own invention on home ground.

Thanks to the efficiency of Netherlands Railways we reached Het Meerdal, in the south-east region of Limburg, just three hours after buying rail-rover tickets in Amsterdam's Central Station.

Het Meerdal is one of Center Parcs' oldest villages, but the concept is the same as the two English Center Parcs in Elveden and Sherwood Forest: 650 stone-built villas are cunningly scattered through 400 acres of woodland, surrounded by gorse and sand. The cunning comes in the original layout and its harmonisation with existing woodland. As a result, you are largely unaware that there are 2,000 other holidaymakers in the village.

All the villas are single-storey with their own front path and a back patio overlooking water or forest. Center Parcs' roads are a car-free zone and most people hire bikes from a cycle centre.

After admiring the ten-station TV (including two free film channels) and the view of the lake and woods through the sliding lounge windows, we headed for the nerve-centre of every Center Parc – the Subtropical Swimming Paradise.

Here, under an impressive transparent cupola, is a fan-shaped leisure lagoon: pools, chutes, rapids and flumes. The temperature is a constant 84 degrees and my two sons instantly disappeared like two pieces of pale driftwood into a foaming slide that curved serpent-like outside the geodesic dome and back again. At 102 metres, the Het Meerdal slide is the longest of all the Center Parcs, and this was one of the features that helped tilt their verdict over Elveden.

It is outside the Swimming Paradise that an English visitor soon notices the differences between Center Parcs at home and away. At Elveden, the demand for sports facilities, whether tennis, squash, bowling or petanque, is greater than the demand at Het Meerdal. In fact, within months of opening, Elveden had to expand its sports areas greatly just to keep up with the British appetite for sports and recreation, despite the extra charge you have to pay for all activities except swimming.

While Elveden hires out 3,000 bikes each week, at Het Meerdal only 1,000 are rented. At Het Meerdal we had no trouble booking any sport we wanted during our long weekend. Outside the swimming areas there are shops, restaurants and cafés clustered round landscaped ponds, streams and rockeries under the same transparent geodesic dome. Parakeets, turtles and flamingos laze among the orchids.

I found a tranquil escape from all this sport at Chez Pierre, a bar that offered an excellent selection of beers. For eating out you can choose between an Italian restaurant, a pancake house, fast food or the Bistro, which serves gargantuan meals. In Holland, though, more visitors seem to cater for themselves than at Elveden Forest.

Centre Parcs states that the first staff to move on to any new site are not designers or architects but professional ecologists who ensure that site development does not destroy the local flora and fauna, which are all carefully identified before a sod of earth is lifted.

At Elveden there are apparently more species flourishing in the ancient Suffolk forest habitat than in 1987, when building began. I am no naturalist, but the only red squirrels I have met in 25 years were a pair that ran in front of my bike in Het Meerdal last summer.

The appeal of the Center Parc formula is that it crosses age barriers and national frontiers, and leaves decision-making to the guests. If you want to fish for golden carp or try your hand at archery, pony trekking, wind-surfing, tennis or ten-pin bowling, the squeaky-clean facilities are readily available. On the other hand, if you want to cook a meal in your own forest villa (*not* chalets, thank you) or sink a bottle of *genevra*, that too is easily done.

Above all, Center Parcs are unpressurised, comfortable and offer what the trade calls an NWDF – a non-weather dependent facility. That is why the villages are in such demand in autumn and winter.

How will Center Parcs develop? There are plans for a third English village – in the grounds of Longleat – but the most interesting new direction is likely to be leisure-starved east Germany and beyond. Think of all those forests in eastern Europe and Russia. As a misty-eyed Dutch manager said to me: "Terrific consumer potential out there, but getting the infrastructure sorted out will be a nightmare."

■ *Currently, prices for a two-bedroom villa at Elveden Forest range from £222-£275 for a mid-week break (Monday to Friday), £235-£290 for a weekend, and £365-£456 for a week. During the summer school holiday you can only book by the week: £637-£764 for a two-bedroom villa. In Britain, reservations for any Center Parc: tel: 0623-411411. Brochures: 0272-344744. Or write to Center Parcs, Rufford, Newark, Notts, NG22 9DP.*

Unruffled in Barbados

THE governor-general of Barbados ate my duckling. The theft, if I may so damningly describe the incident, took place on my flight to Barbados when the stewardess announced that duck was fully subscribed. The governor-general sat in the row ahead of me, idly peering through the window, quite unaware – or so she would have me believe – of her crime.

I mention the episode because it was the most traumatic event of my five-day trip to Sandy Lane Hotel, Barbados. Guests of Sandy Lane, more of a Caribbean institution than a hotel, are not used to being ruffled or disappointed. But then, if I were paying £350 a night for a standard room, I would not want to be ruffled or disappointed either.

Sandy Lane Hotel and Golf Club was the brainchild of Arthur Ronald Lambert Field Tree, an Anglo-American and one-time Tory MP who put his roots down in Barbados after visiting it on holiday.

Tree's hotel was not to be run-of-the-mill. In the words of its architect, a certain John "Happy" Robertson Ward: "When I was designing Sandy Lane Hotel, I put myself in the position of a well educated English Gentleman of the late 18th century going to the West Indies to build a Great House."

He constructed a classically elegant building of white coral stone, a material which not only shimmers spectacularly at night, but which also breathes, helping to keep the interiors cool in the scorching heat.

The hotel's central rotunda curves around two stately mahogany trees. Above is a terrace with ravishing views of the Caribbean and the gently curving bay.

Each of the 121 bedrooms has beds large enough, as I discovered, to sleep in sideways and its own verandah. The marble-floored bedrooms, upgraded as part of a recent £7m refurbishment, struck me as a little characterless, like upmarket fitted kitchens.

Nonetheless, the English gentlemen for whom Sandy Lane was designed – those that remain – continue to be lured. The rest of the hotel's guest list is made up largely of Americans.

Sandy Laners are not the most adventurous holidaymakers. One couple, visitors of many years' standing, admitted they had never ventured outside the hotel save for the brief drive to and from the airport. The hotel manager once held a cocktail party for repeat guests by the swimming pool at one end of the extensive gardens. He was astonished to hear one confess that, in all his years at the hotel, he had never realised there was a pool.

Sandy Lane boasts three staff for each room. Consequently, guests temporarily forget the sensation of opening doors unaided, pouring drinks, or hauling their towel down to the beach. Perhaps the sort of people who stay here do not ever perform such menial tasks.

Once on the beach, reputed to be one of the best on the island's west coast, guests are discouraged from yelling for service or coarsely clicking their fingers. At Sandy Lane waiters are beckoned by placing a large flag upright in the sand.

If such sybaritic living wears thin, one can always turn to sporting exertions. The hotel has floodlit tennis courts and offers complimentary waterskiing, windsurfing, snorkeling and hobie cat sailing.

The chief sporting attraction, however, is the 18-hole championship golf course. Green fees (normally $75) are waived for Sandy Lane residents, though hire of clubs and golf carts is extra.

In a discussion about Sandy Lane's high room rates, which incidentally do not include service charge or local tax, a friend quoted the manager of an equally exclusive hotel. Asked how he justified the room rates, he had replied: "Sir, we don't justify them. People pay them." Sandy Lane is the same.

■ **David Pilling** *stayed c/o Sandy Lane Hotel & Golf Club and travelled c/o BWIA International. Half-board at Sandy Lane in the high season costs $700 (£380) a night for a double room with an ocean view. Reservations can be made through Leading Hotels of the World, 15 New Bridge St, Blackfriars, London EC4V 6AU (0800-181-123), or via Forte, which owns and manages it: UK reservations: 0845-404040. Elegant Resorts (Lion House, 28 Watergate Row, Chester CH1 2LE, 0244-329671) offers seven nights half-board including return flights at £2,200 a person.*

In London, BWIA International is at 48 Leicester Square, London WC2 7LT, reservations: 071-839-9333. It flies non-stop to Barbados twice a week from Heathrow. Return apex fares (low season) are £684, with first-class returns at £3,226.

David Pilling

PROPERTY

Portugal's golf estates drive away recession

ALTHOUGH the 550-acre Praia d'el Rey estate, on the coast north of Lisbon, is almost entirely a new development, permission for building there actually was given before Portugal's bloodless revolution in the 1970s. The site is near the old walled village of Obidos and its lagoon, and the fishing port of Peniche.

Initially, a few houses were built by a Belgian company which used to own the land. Then, the project was shelved. But it has been revived by its new owner, Beltico, a consortium which includes Portuguese and British partners. Plans envisage housing, three hotels, a village, and an 18-hole golf course and clubhouse.

About 30 villas – many substantial – have been, or are being, built. Roofs are pink-tiled, usually on several levels, and walls are cream or white. Nearly all have swimming pools, some have tennis courts, and most will have views of the sea, golf course or nearby woodland.

A few are only 50 yards from the beach, part of Portugal's "silver coast" where Atlantic waves roll onto the soft sand and send up fountains of spray. Other buyers, preferring larger plots, have chosen sites farther back looking into the woods. Indeed, some have bought two or three.

Initial purchasers have come from Singapore, Hong Kong, Malaysia and Britain, but a number are Portuguese. This pleases the developers because such owners are likely to make frequent use of the properties. They may even commute to Lisbon, 80 minutes' drive away (although this will be cut to under an hour when new roads are completed). Thus, the estate should have occupants throughout the year.

When completed, there will be about 150 villas, 800 town houses and 600 apartments, mostly in the cobbled village which will form a corner of the site. The price for a two-bedroom apartment could be £50,000, with two or three bedroom town houses from £80,000. A four-bedroom detached villa, with pool, could cost about £200,000, depending on site and plot size.

Golfers will enjoy what is almost a links course, part of which will run parallel with the sea with the rest spreading back over sand dunes and moorland into pine woods. Work on the course – designed by an American, Cabell Robinson – is just starting and should take 18 months. There is a chance there could be a second course later. For further information in Lisbon, call Beltico (tel. 315 76 07). In London, ring solicitor Swycher & Co. (071-224-3388); its senior partner is a director of the consortium.

Praia d'el Rey is just one of several golf schemes in the Iberian peninsula, despite the recession. London & Edinburgh Trust's LET Leisure has acquired the controlling interest in Pinheiros Altos, a 250-acre golf course development adjoining the Quinta do Lago estate in the Algarve of southern Portugal.

The first batch of 91 villa plots is being offered there at prices between £85,000-£240,000. Buyers can then choose from a selection of house designs or use their own architect. Total cost could average £350,000-£400,000.

The course – designed by another American, Ronald Fream – will have a computerised booking system and rounds will be limited to four hours. The first nine holes should be ready by June, with the rest playable in the autumn. Plot buyers will have guaranteed membership of the club and priority access to its golf academy. Details from LET Leisure at 071-602-9922.

Another development on the Algarve for golfers is Vila Sol at Morgadinhos, near Vilamoura, 20 minutes from Faro airport. This estate is similar to Praia d'el Rey in that earlier work was halted by the revolution. In this case, though, the new owner has built the 18-hole course first. Designed by an Englishman, Donald Steel, and completed last year, it occupies a third of the 367 acres and the Portuguese Open was played on it last month. Vila Sol is thought to be the first course in Portugal built to United States Golf Association standards.

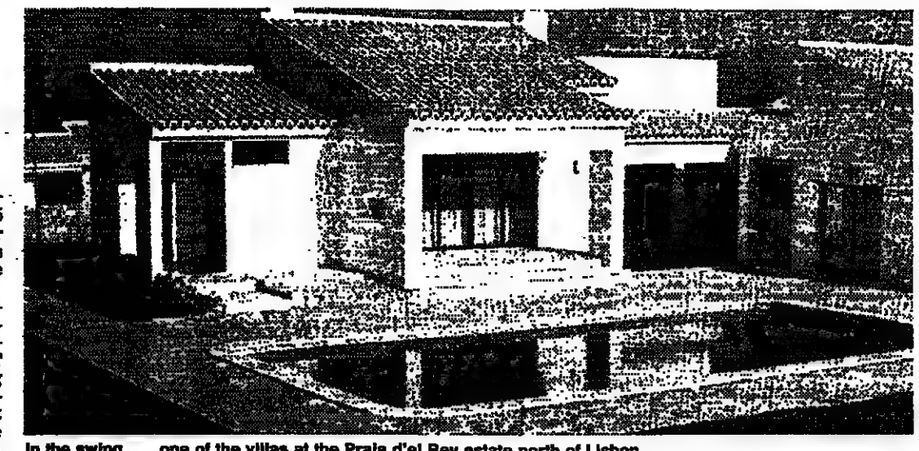
The next stage is the housing. The 240 plots, of a quarter or half an acre, encircle the course and the first are now being offered at between £67,000-£279,000. Villas will have views of the fairways or distant mountains. The estimated cost of building a suitable three-bedroom design, with pool, on such a plot is about £150,000. Buyers may choose from various available plans or appoint their own architect, but he must conform to development guidelines.

There are to be apartments and a five-star hotel on the northern boundary. A business centre, clinic and leisure area for activities like tennis and riding will come later. The development is a little away from the coast and this, it is claimed, will make it more secluded. But it also has a private beach club, with restaurant and bar, at Ancao beach and a regular shuttle service will link the two.

Vila Sol is backed by the Grupo Atlantica, a Portuguese financial institution which, among other interests, is a shareholder in the Banco Totta & Acores. The UK agent is Hamptons (071-493-8222).

The recent DRT International survey of European golf facilities shows that Portugal has 30 courses, with 14 more being built and 90 projects under consideration. Sandy Steven, of the Glasgow-based Tourism Resources Company – which studies the potential market for such facilities on behalf of tourist organisations and developers – says that, despite the recession, the luxury end of the market in Spain and Portugal is holding up, with demand continuing for good-quality, low-density villas around courses.

Audrey Powell



In the swing . . . one of the villas at the Praia d'el Rey estate north of Lisbon

Border crossing

AN ENGLISH estate agent is offering a novel choice – plots on either side of the frontier between Spain and Portugal.

The land borders the Minho river, which separates northern Portugal and Galicia. To go on the plots, the agent also is offering a range of Norwegian-style chalets built of Madeira pine with broad ornamental balconies.

The agent is Babet, based in Merriott, Somerset (tel. 0460-76213). It claims that this type of building is particularly suitable for holiday homes because there is almost no humidity inside. When a property is left empty for a while, it does not become damp.

On the Portuguese side, the price of a one-bedroom chalet on an average plot would, depending on foundations and site, be about £38,000, rising to £57,000 for three bedrooms. The cost could be a little more on the Spanish side.

The chalets are best suited to a rural setting, and Babet suggests that anyone with guilt feelings about introducing a new building to such an environment could grow grass and wild flowers on the roof, as they do in Norway, after which the property would become near-invisible.

A.P.

A Landmark in holiday homes

***Michael Stourton** reports on a unique property rental scheme*

YOU MIGHT have reservations about paying to stay in a building that you knew had been selected by its owner because it was "too desperate, troublesome or unfashionable to appeal to anyone else."

Yet, these are the words used by Sir John Smith, founder of the Landmark Trust, in explaining his criteria for "the rescue of buildings in stress"; properties at risk that are to bear the Landmark Trust label.

Some of the names may conjure up a none-too-compelling image. Take Appleton Water Tower, for instance, or the Bathhouse at Walton. Beamsley Hospital does not sound particularly inviting; the Pigsty at Robin Hood's Bay still less so. The House of Correction at Folkingham takes the biscuit for being a turn-off.

Nevertheless, competition to take these buildings for a week's holiday, or longer, is fierce. Despite there being no advertising, an occupancy rate of 80 per cent is achieved; a level most hoteliers only dream about.

The only part of the UK so far without Landmark is Northern Ireland. Overseas, it has one property in Rome and has recently acquired Rudyard Kipling's house in Vermont, US, the house Kipling built in 1892-3 shortly after his marriage to Vermont-born Carrie Balestier. It was here that Kipling achieved some of his most notable literary successes.

But holiday letting was far from being the main aim of John Smith, banker and former MP, when he started the Landmark Trust in 1965. With a discerning eye for unusual buildings in danger of being lost for ever, Smith set about buying them up.

It was rarely a straightforward business. Difficulties of every kind were encountered, including that of establishing legal ownership. There are now nearly 200 Landmark properties.

The rate of conversion works out at about six new properties each year. Landmark has its own architectural adviser and also employs local architects.

Much trouble is taken over the furnishing and equipping of these places – an essential part of Landmark's attitude towards guests. Landmark believes that by staying in these historic buildings people will gain far more of the feel of a place than by merely looking at it.

Almost all the furniture is old, but good. Sometimes it, too, has been rescued and repaired. Most of the curtains are specially designed and printed by Landmark for each building, and carpets and rugs are chosen for their quality and character.

Furnishing the buildings, in itself a formidable undertaking, involves a team of people, including Lady Smith, whose influence in this direction remains strong. The absence of televisions and their aerials speaks volumes for the Landmark ethos.

There are sometimes informal links with the National Trust, where, for example, land that goes with a building is administered by the National Trust while the building is handled by Landmark.

Be a baron for a week: Clyths Castle, at Abergavenny, Gwent, can be booked through the Landmark Trust

Unlike the NT, there is no membership of Landmark. The decision-making process has, until recently, been the province of Sir John and Lady Smith alone, although when Sir John retired in June 1990 a committee of management was appointed.

Sir John regrets that he is seldom able to meet the people who stay in Landmark properties. From entries in the logbook, with which every property is supplied, he gains an insight into the enterprise and imagination that visitors, including more and more from abroad, reveal in discovering things to see and do. A surprising number are not on holiday at all, but have come to do or study something in particular.

■ *A price list and booking form are obtainable from The Landmark Trust Shottesbrooke Maidenhead, Berkshire, SL6 3SW: Tel: 0628-825925. The copiously illustrated Landmark handbook is £6.50, including postage.*

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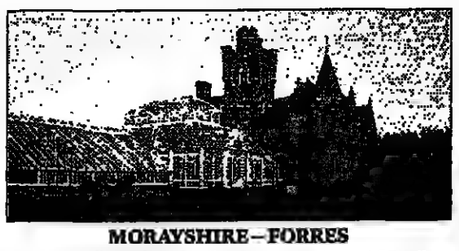

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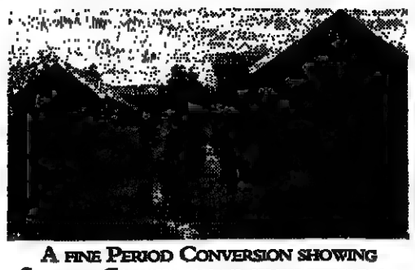

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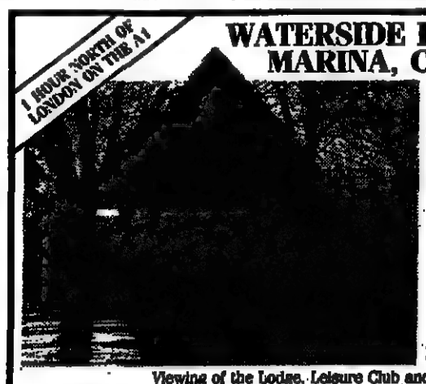

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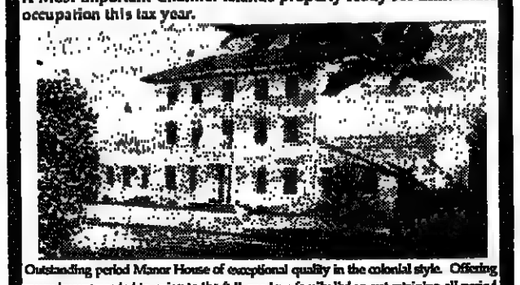

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GARDENING

Head for the hills – in Spain

Why is a flower somehow better when found unexpectedly in the wild? ***Robin Lane Fox*** *muses on the matter while studying Iberia's spring glory*

WHENEVER I go abroad to look for wild flowers, they go into hiding. In the past fortnight conditions ought to have been perfect. Spring has already broken in the Mediterranean; the Andalusian hills of southern Spain are a botanical wilderness; the British calendar is two months behind the sunlit temperatures of Malaga. When Britain starts campaigning, head for the hills.

From bus windows of the past, I remember Spanish fields of yellow bee orchids, purple iris and grape hyacinths, rosemary, pale pink convolvulus and Iberian narcissi. This year, they must have heard I was coming. There has hardly been any rain all season; the ground is already like a brick and if you think the English spring has been dry, spare a thought for mountain homes in the western Mediterranean.

Dried out by the weather, the better flowers have hidden their faces. For a week, I have tried hard enough to find them, on foot, two bike tyres and even on four capricious hooves. I have seen cistus by the square mile and enough lavender stoechas to make me slightly less cross that mine has died in the winter. Thistles have dogged my progress and globe artichokes have run wild under the olive trees.

As the temperature falls, I have bicycled through the afternoon scent released by yellow coronilla; I have ridden for a day through oak-groves and the thought of maquis which was the home of that childhood favourite, Ferdinand the bull.

There were no bees, but one bee-orchid, a few small muscari, two lone plants of the deep blue Aphyllanthes and hectares of a shocking pink erodium with seed heads shaped like a cranesbill. The haul, in short, was below the very low annual average on a Lane Fox World Botanical Index. When it comes to Iberian wildflowers, others have more luck, probably in the north and among the Pyrenees. When it comes to cultivated surprises, I still think that I have had the best of it.

In the towns, on the hillsides, you do not have to look far. Spanish gardeners know how best to grow plants on a balcony or mass them outdoors in flowerpots. Their geraniums trail like streamers more than a yard long; wrongly, we think of our varieties in Britain as plants which grow upwards, not downwards. In April, we cannot expect roses, yellow jasmine and wisteria. In Spain, they are already everywhere, as are the first bedding plants.

We might perhaps find less ugly lighting for the grounds of our historic castles, but would we have had the idea of massing nothing but scented white stocks in formal beds below a fortress like Cordoba's Alcazar? Having missed the best in wild nature, I have seen it twice in two Spanish towns.

Not until late May will the milder parts of England be enjoying Banksian roses. They flower freely on pergolas in Somerset or up the front of sunny houses in London, showing small roses whose double flowers are the colour of lightly scrambled egg. Ten years ago, the king of all Banksians could be seen running wild in Cordoba beside one of the regional bus-parks: I could not relocate it, but in the town's old Jewish quarter there are plants of it whose owners have exercised more care.

Their Banksian roses run right across the narrow streets on a friendly wire from one white-washed house to another, cascading above pedestrians, the only traffic. In Granada's great Generalife garden, you can see a magnificent plant of the rarer and frailer white Banksian form. Southern Spanish gardeners have given this wonderful climber its head, since its arrival from China in the 1820s. In Britain, town gardeners could still make more of it.

The first wisterias have already opened and a cascade of Banksians make northerners think that they must be dreaming. Andalusian cooking will soon bring you back to earth, but can anyone equal its antidote, an extraordinary sight in the small civic gardens in the centre of the town of Ronda? Beneath the purple flowers of old Judas trees, some genius once planted pale-pink Moutan paeonies. These double-flowered varieties have finely-cut leaves and huge heads of flowers which we tend to expect only in special borders, in shade.

Many years old, Ronda's public paeonies are shaded only slightly from ferocious sun. They are growing in no particular compost; the soil is earthed up round them, as if they are young potatoes; I doubt if they are watered throughout the heat of the year. Yet they are flowering stupendously, just as old catalogues always claimed that they would.

In England, I have never proved the catalogues right. Before retiring, one great nurseryman once hinted to me that he doubted if any of his customers never had much luck with most of the Moutan plants which he supplied. Perhaps we are all too kind to them, as if they need cool soil, manure and the company of lilies and hostas. In Ronda they now grow as they seem to have been grown in the Chinese gardens where plant-hunters used to remark on them. It may have been Spanish cunning, but I suspect that like bullfighting, it was a matter of hit and miss. In Britain, perhaps, we should try the noble forms of paeony suffruticosa in full sunlight and dry soil: nowadays, Amands of 145 Clamp Hill, Stanmore, Middlesex are the main importers.

It is all non-infectious food for thought. Some of us seem to be botanists, quick to see rare orchids in long grass before the cows have grazed them flat. Others, I suspect, are gardeners with an eye for plants in cultivation, growing in the most unlikely settings.

Why is a flower somehow better when found unexpectedly in the wild? The finest sight in south Spain last week was a mass of paeonies in an urban space. If you want to see narcissi, is it really any worse to enjoy the best ones all over Hyde Park than to track them, not always successfully, to a habitat in northern Spain?

Those who have the botanical knack do not always notice gardeners' oddities: as in nature, so among flower enthusiasts, different species come in different forms.

Plant of the week

Pieris Wakehurst

This is one of the most beautiful of the Chinese lily-of-the-valley shrubs, so called because of the resemblance of their white flowers to the herbaceous lily-of-the-valley. This fine evergreen shrub is usually listed as a variety of Pieris formosa forestii but there is some difference of opinion about this and Pieris Wakehurst is sufficient to identify it accurately. The flowers are not quite so regularly produced as those of some other forms of this species but the brilliant red young leaves in spring are outstanding in beauty. With age they fade to pink, then nearly white and finally yellowish green before becoming their permanent rich green colour. The bush can reach 15ft high in time but will take many years to do so and can be kept to half that height by light pruning in late May or early June. It needs lime-free soil. .....*AH*

After all, what are good fronds for?

THE PUBLICATION of two comprehensive books on ferns is of importance, as the popular literature on this great group of plants is not extensive and much of it is intended for the specialist.

In *The Cultivation of Ferns* (Batsford Press, £25) Andrew Machugh does address himself to gardeners in general, his book is nicely illustrated with good colour photographs and line drawings. There are good ideas about growing ferns where space is limited, by making raised beds with soils to suit particular types, and advice and lists of desirable varieties.

The second book was published last year, and is called *Ferns in Your Garden* (Souvenir Press, £18.99). Illustrations, in colour and black-and-white, are excellent and, although author John Kelly does not claim to be a fern specialist, he is a general writer and broadcaster on horticultural subjects. He has clearly mastered his subject and, like Machugh, deals with it exhaustively.

But a whole book on ferns, is clearly for people who are going to cultivate them seriously, probably regarding them as a speciality and aiming to build a collection. That would be easy: according to Machugh, there are 67 fern species native to northern Europe with a further 250 species in temperate north America.

Many ferns – and this seems to be particularly true of native British species – produce all manner of variations in the character of their fronds. In Victorian times there was great interest in collecting and exhibiting these minor varieties and giving them long, pseudo-botanical names.

All this can be great fun for those who enjoy such things, but at the present time I see no prospect of a return to this kind of obsession.

What could be achieved with the right kind of information – and more ready availability of hardy ferns in garden centres – would be a much greater use of ferns in mixed garden settings; sometimes in mixed borders, along with other herbaceous plants; sometimes in woodland or, if that sounds altogether too grand, growing beneath a few trees; a natural habitat for many ferns.

Some are also natural rock plants, and there are those, like wall rue, Asplenium ruta-muraria, and the rusty back fern, Ceterach officinarum, which thrive in the crevices of limestone walls, seemingly extracting a living from virtually nothing but stone and a little accumulated debris.

By contrast, there are the luxuriant moisture-lovers, such as the Royal Fern (Osmunda regalis), which grows in fens and has great fronds up to 10 ft high.

In Britain it used to be more common than it is today, and no one would want to start another mad hunt for Royal Ferns to dig them up and bring them into the garden. But there is no need for this.

Wild ferns are easy to raise from spores, which are produced very freely, and also by other means. If there were a steady demand for a few dozen kinds, it would be possible for nurseries to produce them quite cheaply with no deprivation of the environment.

The Royal Fern is by no means the only fern that is ideal for planting beside a pool or stream or in a damp hollow. Another, which I am especially fond of, is the ostrich feather fern, or matteucia, a wonderfully green fern with long, rather narrow fronds, that grow almost straight up, like a narrow shuttlecock. This fern looks wonderful in a damp spot, either in the open, or in semi-shade.

Ferns are by no means always ferny. The hartstongue, in its common form, has undivided, shining green fronds, and will lodge itself between rocks or around the boles of trees.

I have one that I found growing wild in my garden, and moved to a cleft between the roots of a cut-leaved elder, where it has made itself at home.

It shares the ground with hardy, ivy-leaved cyclamen, which are colonising this part of the garden. The two plants both enjoy such moderately shady places. But, although typical hartstongue has undivided fronds, there are forms which are pruned or crested, the fronds splitting at the top into smaller sections. These forms are no more beautiful than the general type. Indeed, it could be said that they are freaks, but they add interest to a collection.

By contrast some ferns have fronds which are almost unbelievably complex. The polystichums tend to be of this character, and the hard-shield ferns (polystichum aculeatum) and the soft-shield fern (P. Setiferum) are of this type.

I grow the latter in the same mixed border as the hartstongue fern, but in a place where there is much greater depth of soil, and it does very well. There is a fascinating form of it, named Proliferum, which forms little baby ferns all along some of the fronds. If you take the trouble to hold these fronds flat to the soil with stones or pieces of bent wire, the little plants will root and start to grow vigorously. After a while, the while frond can be severed and the separate plants, with roots, can be cut out singly, giving quite a crop.

Many ferns grow in hedgerows, usually most abundantly on the shady side, and this gives a clue to the conditions in which ferns like to live. The male fern, Dryopteris felix-mas, is one of the commonest of these, and it appears frequently as an intruder in my garden.

It makes large, well-divided fronds, not among the prime beauties, but very acceptable in the rougher parts of the garden, where its dead fronds in winter are not a nuisance. I would like to see more garden-owners taking up ferns in this rather relaxed way.

Arthur Hellyer

Fishing

SOS – save our salmon

I CAUGHT my first salmon on a breathlessly hot August day a quarter of a century ago. Expert opinion held that conditions on the Cumberland Eden were hopeless: the water low and scummy, the few fish stale and sullen. But somehow I had to be kept quiet, so the keeper thrust a spinning rod at me and bid me do my worst. When he saw my six pounder, he raised a hairy eyebrow, muttered something about "beginner's luck," and shook me warmly by the hand.

I can recall the capture of my last salmon pretty clearly, too – a gleaming fish of seven pounds taken on fly in the shadow of Ashford Castle hotel in the west of Ireland, with a admiring gallery of guests watching the fun. And I can see each of the salmon which came between those two triumphs – all eight of them. Ten salmon in 25 years is not an impressive tally.

But I am not a salmon fisherman. In fact, speaking purely as a catcher of fish, I could do without salmon. For the trouble with salmon fishing is that it is such a business. You have to arrange it months in advance. You must travel vast distances. Once there, there is little else to do but fish, and since you have paid thousands for it, do it you must. I haven't the money, the connections, or the hunger.

But I still love the salmon, and the thought that this wonderful creature – with its extraordinary, epic life cycle – might one day be lost to our rivers is odious. It may be a cliché, but we would all – salmon fishermen, trout fishermen, non-fishermen, members of the League Against Cruel Sports – be diminished by such a loss. Is it possible?

There is no doubt that things are bad. Reports from the Scottish rivers show that last season was calamitous. The story was broadly the same west, north and east. Stocks of fish were pitifully small, catches unprecedently low. It is not surprising that lamentations north of the border should have reached such a pitch of rage and despair. Great effort and expense have been expended there – particularly in buying off the estuary netting stations. Yet the decline accelerates.

The great question is whether we should blame nature, or ourselves. There is a theory – which I am too ignorant to assess – that the numbers of salmon have waxed and waned on a cyclical basis through the ages. It is said to be something to do with climate, enforcing mass migration of the food on which salmon grow fat at sea. If we are patient, the balance will tilt again, possibly within our lifetime – possibly not.

The advantage of blaming ourselves is that it offers the hope – maybe illusory – that something can be done. Look at what we do to the salmon.

We destroy its spawning grounds with acid rain and poison the estuaries through which it must swim. We net it in those estuaries, and at sea. We steal its food, for use as fertiliser or heating oil. We pollute the seas, and everything that in them lives. Oh – anglers catch a few.

Reluctant governments can be forced to act. Take the case of the infamous north-east England drift net fishery. For years the fishing interests in Scotland – where this atrocious practice was banned decades ago – have gnashed their teeth at the interception of tens of thousands of salmon bound for east coast rivers such as the Tweed and the Spey. The Agriculture Minister, John Gummer, hummed and hawed, until the pressure became too much. Last autumn – belatedly and grudgingly – he announced that the fishery would be phased out.

So it can be done. Let us, therefore, holler at the Irish until they enforce the ban on netting salmon off Donegal. Let us shame the Danes into ending the plundering of sand eels in the North Sea. Let us pray that the EC produces measures to protect fish stocks while there are still stocks to protect.

Will any of this happen? One sighs, despondently, for the omens are not encouraging. Governments prefer words to deeds. Action is only taken when conclusive evidence is furnished – and usually not then. The problem when dealing with something as complex as the survival of a species is that the only conclusive evidence tends to take the form of extinction.

Tom Fort

Fresh fish in a deep freeze

MINUS 12° is not a temperature recommended for trying to impale bright red mosquito larvae on a tiny hook. It leaves you with what can only be described as mosquito juice over your aching, gloveless hands, and with nothing but icy lake water in which to wash them clean.

Reaching down through a tangle of line, weights, float and hooks, you rinse your fingers in the 6in-wide hole which is your window to the lake below. Then, after wiping your hands dry on your Shuba, the enormous sheepskin coat which is the *sine qua non* of all serious ice-fishermen, you lower the red bait down until it sits, invitingly, just above the lake floor.

There are two things which make this masochism worthwhile. First, you will *definitely* catch a fish. In fact, you will probably catch more than you can be bothered with. A nursery school of overly-curious *lesh* (bream) played enthusiastically under our ring of ice-holes. In three days, only restraint stopped me from pulling out more than 50.

Second, you get to toast every new arrival with Russia's answer to a Fisherman's Friend – vodka.

The lake I visited with a group of Russian friends is six hours by car north-west of Moscow. Russian roads being what they are, three punctures and only two spare tyres meant we took twice that long.

Lake Seligier is a bright white maze of islands and inlets, its shores cluttered with giant bullrushes and rickety pedalos, clamped for the winter in 2ft of ice. A tangle of frozen tram lines marks the paths of cross-country skiers. Wooden *dachas* and the occasional onion-domed church hide among the pine trees.

The hotel in which we stayed – or, to give it its proper title, the House of Leisure – sits on the lake edge. It is a contradictory, kitsch sort of place: Butlins holiday camps meet Bolshevism. Clean, sparse rooms. Communal, temperamental showers.

Each evening, we sat in a corner of the vast dining room eating *oukha*, the steaming fish soup we had made out of the day's catch, while hordes of adults in identical 1960s'-style track suits and groups of chaperoned children swarmed punctually in and out for their set meals.

After dinner, the Butlins' influence gains the upper hand. Distracted briefly by a recreation room full of broken arcade games, we headed downstairs along a bright purple corridor, past maps which calmly proposed 210 km skiing tours, to the disco. The DJ did not take requests but was more than happy to keep playing the latest hit, a Euro-pop track called *Bad Russians*.

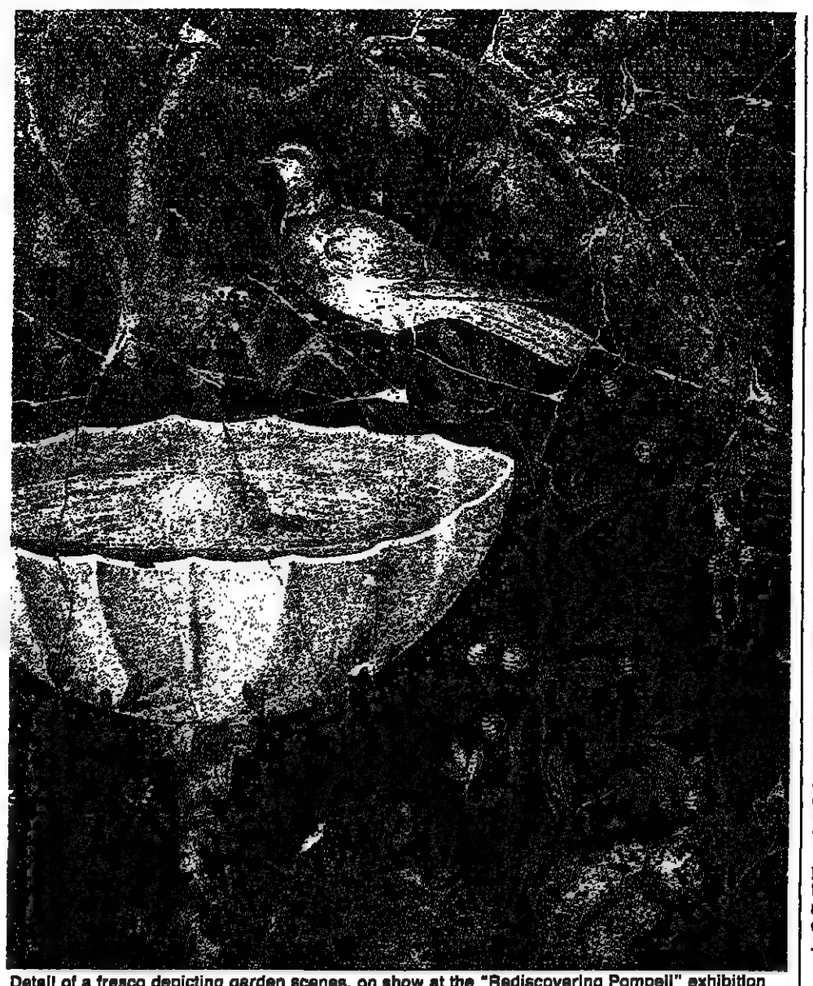
Clearly, though, Russians take their fishing more seriously than their dancing. By the time we emerged on to the blinding white ice just after 5am, small clusters of Shuba-coated fisherman were already dotted across the lake, hunched over their holes.

Loaded up for the day, (Shuba, Fisherman's Friends, giant corkscrew to make your hole, sieve to keep it ice-free, pocket-sized rod and line, stool, vacuum flask, bait) we pushed off on our skis.

Somewhere out there, we were assured, were enormous pike. Perhaps next time. For now, the art of hauling a 27kg fish through a 6in hole must remain a mystery.

Andrew Harding

Set free from its tomb of lava



Detail of a fresco depicting garden scenes, on show at the "Rediscovering Pompeii" exhibition

Susan Moore on an exhibition which opened in London this week

ON THE morning of August 24 in 79 AD, Mount Vesuvius erupted. Pliny the Younger, living in nearby Misenum, left a harrowing account of the awful darkness that "came rolling over the land after us like a torrent".

Hit by showers of volcanic debris, earthquakes and asphyxiating gases, Pompeii, together with Oplontis and Stabiae to the east, were submerged under pumice-stone and ash. To the west, Herculaneum was engulfed by volcanic mud that solidified to form a stone cover 10 metres thick.

These provincial coastal towns and cities of the Roman empire were transfixed in the first century. They remained more or less undisturbed until 1709 when a chance discovery in Herculaneum prompted the Bourbon kings of Naples to start excavations to recover antique sculpture to adorn their palaces.

When Goethe visited Pompeii and Herculaneum, the passages dug by the Bourbon miners could be explored by lamplight, and the discoveries made there were fuelling neo-classicism. Goethe wrote in 1787: "Many a calamity has happened in the world, but never one that has caused so much entertainment to posterity as this one."

Archaeological research, restoration and maintenance at the Vesuvian sites had been in decline since the 1950s. Walls were crumbling and wall paintings deteriorating. The sites would have deteriorated further if an earthquake in 1980 had not jolted the Italian government into action.

In 1981, an special archaeological administration was instituted for the Pompeii area. By 1984, it had substantial – although still insufficient – funds and an energetic *soprintendente* in Professor Baldassare Conticello. He has masterminded what he describes as a new philosophy for Pompeii; it involves the collaboration of archaeologists, geologists, biologists, botanists, geotechnicians, physicists and even a climatologist.

The bonus of computer expertise came when IBM Italy and Fiat Engineering joined forces in 1987-89 to form the Neapolis consortium. It transformed the project by setting up one of the largest ever information technology systems for archaeology, to address the task of preserving, restoring and interpreting Pompeii.

First, the whole 140 square-mile area was electronically mapped, to produce a grid on to which other data could be added. That information included over 12,000 catalogue entries of individual finds, and over 8,700 digitised colour images of wall paintings, mosaics and artefacts – thus preserving, electronically at least, Pompeii's most fugitive and precious treasures for posterity. Excavation notebooks dating back to 1862 were committed to disk and, like the Herculaneum papyri, made more legible on the computer screen in the process.

Imaging techniques were developed to simulate restoration of damaged wall paintings, allowing restorers to experiment without touching the frescoes themselves. Data on the function of each building has shed light on Pompeii's ancient social, political, religious and commercial life. At the touch of a button, the computer reveals, for example, the existence and whereabouts of a red light district, the distribution of shops and workshops, or even take-aways.

On site meanwhile, Conticello inaugurated a systematic restoration of Pompeii from east to west, further excavations and a new museum. A series of publications, exhibitions and concerts raised awareness of the area and brought more visitors and, with them, public funding. Publishing the finds has also protected them. The entire collection of bronze and gold stolen from the deposit at Herculaneum in 1990 was recovered last November, because thieves were unable to find a buyer.

The most ambitious and critical consciousness-raising exercise to date is the spectacular travelling exhibition, "Rediscovering Pompeii". It comes at a time when digging has stopped and the computer is silent, awaiting a second phase of funding. The show features 200 treasures and artefacts – some only recently brought to light – and demonstrates the role of the Neapolis technology in making the classical world more accessible. After showing at New York, Houston (where is attracted over 350,000 visitors) and Malmö, it opened in London at the Accademia Italiana this week.

Ironically, the disaster that totally extinguished life in two days and two nights in the first century also ensured a kind of immortality. Voices resound in streets, houses, baths and open public spaces. Graffiti and inscriptions record sporting triumphs and forthcoming fights, political propaganda, and fierce expressions of love, hate and undying friendship. Casts made from the cavities left by the fugitive Pompeiians make for chilling death masks.

Most poignant are those of a family found sheltering in its home. Recently excavated just outside Pompeii's city walls, they show a man raised up on his elbow to shoulder the roof timber that has fallen, cupping his hands to cover the nose and mouth of his pregnant wife beside him.

In the exhibition, we find the highly defined contours of a lady from Oplontis who took flight clutching a purse full of coins, rings and gems. That little purse, and other items such as bone dice, a bronze colander, bowls of carbonised olives, figs and prunes, speak as eloquently as any fine marble, bronze or mosaic.

A surprising amount survives of gardens as well as houses. Botanists working on the recent excavation of the House of the Chaste Lovers at Pompeii have been able to determine the precise layout and planting (through pollens, seeds and roots) of its formal inner garden. In time this will be reconstructed; meanwhile a larger programme of replanting is under way. The Pompeiian love of greenery is most vividly apparent in the enchanting frescos of a recently excavated garden room that form the centrepiece of the show, richly adorned with luxuriant naturalistic flora and fauna.

Pompeii was a thriving commercial city. Oplontis and Herculaneum, in contrast, were graced by the villas of the rich. The former boasts the only surviving ancient wooden furniture (patterned by elaborate geometric marquetry), and the fine wall painting at the supremely elegant villa thought to have belonged to Nero's second wife Poppea. A sequence of open-air rooms, frescoed with abundant foliage and lined with flower beds, eases the transition between garden and house.

The garden of Herculaneum's grand Villa of the Stags has supplied much of the finest marble statuary in the show. Its "Drunken Hercules" is characteristic in its robust earthiness. This Hercules is no conventional hero. He is portrayed peeing, legs spread wide in a desperate attempt to remain vertical.

"Rediscovering Pompeii", Accademia Italiana, 24 Rutland Gate, London SW7, until June 21. Sponsored by IBM UK.

Off the Wall/Antony Thorncroft

Box opened, money gone

BRIAN McMaster is a mild mannered chap and did not complain publicly when he opened the box in the director's office at the Edinburgh Festival and found he had inherited a deficit of £170,000, and not a booking in sight for the 1992 Festival.

McMaster, coming from Welsh National Opera, expects to plan two or three years ahead, so will not make his mark until 1993 at the earliest. In the meantime he has conjured up a patchwork programme for this summer's Festival, with lashings of Tchaikovsky, the innovation of retrospectives – of the plays of Granville Barker and C.P. Taylor, and a few plums.

The most eye-catching is the return of Pina Bausch after 10 years. The most ear arresting is likely to be Elisabeth Söderström appearing in Poulenc's opera for solo voice, *La Voix Humaine*. This is a brave undertaking for a 65-year-old, but apparently there is only one note in the piece that the Swedish soprano views as her Beecher's Brook.

*

Blinds should have been lowered in Bond Street galleries this week to mark the passing of one of their best customers, Lord Spencer. The British aristocracy stopped collecting art more than a century ago, but Lord Spencer was constantly popping into leading picture dealers, happily disposing of works by van Dyck, Salvator Rosa, Guercino and the like, while Lady Spencer was busy at Partridges buying up 18th century furniture in order to re-decorate Althorp to her brilliant taste.

So keen was she on gold that she had a plain 18th century suite gilded by Partridge and paid for it by handing over another suite of furniture so good that the dealers sold it on to the V & A.

The Spencers used dealers because they did not want to be seen to be selling off the family treasures publicly at auction, although numerous minor pictures were discreetly unloaded through the salerooms, to the great delight of sharp eyed dealers, well aware that a Spencer provenance would ensure an easy sale.

Sometimes the Spencers sold short the family name. Wildenstein picked up a Salvator Rosa for about £60,000 and sold it on to the National Gallery in 1982 for £350,000. American museums, such as the Getty, were happy to pay Colnaghi's well for the five Van Dycks that it dispersed from Althorp. In all around £4m was raised from the sales, with most of it going to shore up the ancestral home and to build modern beach bungalows in Bognor.

*

It is possible the new Earl, faced with a considerable tax bill, will be forced against his will to dispose of more of the Spencer collection. He will be encouraged by the £10m that Lord Cholmondeley received this week from the National Gallery in return for his Holbein. In fact this was a deal that satisfied both parties. The market value of the Holbein was probably nearer £15m, but because of a double tax burden the Marquess would have needed a price of around £28m from the proposed auction at Christie's to net the equivalent of the £10m. No one expected such a sum, which would have been a record for any Old Master, to be achieved in the current world economic climate.

*

Wolfgang Fischer, one of the leading London dealers in 20th century art, has joined the bandwagon and closed down his King Street gallery rather than pay a higher rent in these difficult trading times. Like Kasmin, Max Rutherston, Nicola Jacobs, and Michael Goedhuis he prefers to operate from home.

But it is not all gloom and doom. On Election Day Noel Oddy opens a gallery inside Patisserie Valerie, in the Brompton Road, offering, as well as cakes, works on paper by the current and former Presidents of the RA, Sir Roger de Grey and Sir Hugh Casson, John Bratby, Frederick Gore and others.

This is part of a trend – mixing art and food. The Eagle gallery in Farringdon Road has firmly established itself this year above one of London's more fashionable pubs, where an exhibition by Bernadette Kerr opens on Thursday, and Drones, the well established eatery of the rich and famous, now covers its walls with saleable art from young graduates at London's top art schools.

Other London galleries are going overseas to drum up custom. The last time Colnaghi operated in Paris was just before the Revolution, when the Italian founder of the firm had to leave pretty sharply. Now the Bond Street dealer is returning, opening up an office next month in the Faubourg St Honoré, which positively bristles with glitzy dealers.

The gallery is in the former disco of the ultra chic Hotel Bristol. Hardly by chance the Bristol is owned by the German food billionaire, Rudolf Oetker who also owns Colnaghi. For the first year it will act as a representative office, offering French and Italian paintings. Given the remarkable shortage of top Old Master dealers in Paris it should do well.

Another London dealer, Hazlett, Gooden & Fox, has no complaints about opening in Manhattan earlier this year. It sold two important paintings at its first show.

Radio/B.A. Young

Classics corner

CLASSIC English novels, often more talked about than read, are great material for Radio 4's Saturday evenings (and Friday afternoon repeats). Lately, we had a splendid *Mill on the Floss*; this week we embark on Hardy's *Tess of the D'Urbervilles*, in a compact three-part adaptation by Sally Hedges.

It starts with a brew of Angel Clare's association with Tess, wisely hinting at what is to come, for Angel is mostly off-stage in the first episode, and we must know him when he comes. But from the village song and dance onward, we stay well enough with the tale – Durbeyfield's fancied connection with the gentry, Tess's encounter with Alec D'Urberville after her accident on the road to Casterbridge, her fatal seduction, the midnight baptism and death of her baby. Now she has just begun as a dairymaid. Nigel Bryant's direction is lively, with Hardy-style music. Carolyn Backhouse's Tess, "a pure woman", as Hardy insisted, has an apt pastoral voice with no excess of West Country vowels, and Michael Lumsden's Alec is a seemingly decent young country chap.

Assassins, the Monday play, was not Stephen Sondheim's musical about the shooting of American Presidents, but an adventurous account by Peter Roberts of what became of the knights who murdered Thomas Becket. De Traci ended as an official in Henry II's court, the other three went on a penitential crusade to Jerusalem. Fitz-Urse quit and took to trading in Brindisi; Brito was killed by the Saracens; de Morville, in a less vigorous conclusion, returned to Canterbury to seek forgiveness. Direction by Nigel Bryant again, packed with action from the close-up of the murder to the quieter coda in the Cathedral. But I'm afraid I can't believe in 12th-century knights who say "Excommunication means sod-all these days", though this may truthfully express their thoughts.

While news-bulletins are crammed with election talk, and Radio 4 has six or seven election features a day if you use both FM and LW, we may perhaps be thankful that the network's other features have been kept free of any potential politics. This week's *Europhile* (Sunday, repeated from Friday) dealt only with Polish nobility in Krakow, over-taxed pensioners in Denmark, and football in Albania. There was a heart-breaking account in *The Cutting Edge* on Wednesday of a woman totally paralysed for seven years, fed only through a naso-gastric tube; but we were not told whether she was nursed by the NHS or privately. In the latest (and last) series of *King Street Junior*, there was complaint about the shortage of school books, but the staff set about correcting this themselves. No trouble with the buildings yet, either.

The Politics of Choice, Radio 4's novel presentation of current political obsessions without politicians, seems rather a miss. The dodge is to contact listeners about their particular concerns – last Tuesday, the environment, though it boiled down to roads and railways – and have the problems answered by lay experts. The effect is *Any Questions* without the stars.

Video/Nigel Andrews

Women's night

THE ENTIRE video industry must have been reading this monthly column. In February I pointed out how male-dominated the new releases were. What should March bring but an Amazonian army of screen heroines?

Here they are flexing their acting muscles in such films as *Meeting Venus* (Warners) and *Alice* (RCA/Columbia), *Blue Steel* and *The Whales Of August* (both 1st Independent), *Broken Blossoms* (Thames Silents) and *Stepping Out* (CIC). The cinema is often accused of failing to provide women with good roles and then paying them pittances when they do. Guilty as charged in the second instance. Less and less so in the first.

When do men ever get roles as succulently emotional as Anjelica Huston's in *The Dead* (1st Independent) and Glenn Close's in *Meeting Venus*? Huston keens and croons through her father John's adaptation of James Joyce's tale of family life and frail mortality. And as an impassioned, capricious opera singer Miss Close coolly vaults or bestrides every fault-line in Istvan Szabo's comedy-parable about disunited cultures in a "united" Europe.

Just as sopranos sing the true tearaway stuff in opera, and ballerinas soar in dance while men act as hydraulic cranes, so women get the free-flying emotional franchise in movies. Newly issued is perhaps the greatest screen performance by an actress, that of Lillian Gish in D.W. Griffith's 1918 *Broken Blossoms* (Thames Silents). We are in London's East End and frightful things are happening in pubs, opium dens and the like. Miss G plays a neo-Dickensian waif with the largest eyes you ever saw: they show more human drama than the whole of the rest of the screen.

Miss G, still alive today at ninetysomething, floats majestically through a reissued *The Whales Of August*. Bette Davis, who owns the second largest pair of eyes in showbiz, partners her in a film demonstrating what women can do and men cannot. They can create a comprehensive human comedy from seeming to do absolutely nothing (something which society has condemned them to do for centuries). The drama is all in tiny gestures of lips or eyes, in words that cunningly, ambivalently conceal or reveal.

Of course when women *are* allowed to do something, they do it with the un-dammed energy of frustrated aeons. Liza Minnelli is preposterous and irresistible in *Stepping Out*, as a dancing teacher shepherding a group of amateur hoofers through rehearsals for a charity concert. Miss M behaves like a sack of fireworks that has been left near a fire. Whenever you think she is dormant, another sparkler or Roman candle goes up. She struts, smiles, flounces, sings, dances, giggles and blazes her pixie eyes. If a man did all this in an acting performance he would be escorted from the studio by men in white coats.

In the feminist late 20th century, women are also allowed to play hardened professionals. Jamie Lee Curtis in Kathryn Bigelow's thriller *Blue Steel* is a cop who never lets a visible emotion pass across her face, even when reading the Miranda act to her own handcuffed wife-beater of a father. And in *Dying Young* (CBS/Fox) Julia Roberts is permitted several scenes of no-nonsense nurse-like behaviour before turning on the faucets in this girl-meets-Aids-patient weepie.

At its worst, the new interest in women's social and emotional identity can produce embarrassing agitprop from male directors trying to swim with the tide. Woody Allen's *Alice* (RCA/Columbia) is the fey, confected tale of a yuppie's wife (Mia Farrow) who "finds herself." This means she falls in love with a block of Italian-American machismo (Joe Mantegna) and drifts around New York pretending she has become a writer, a woman and a whole person. You would never believe from this film that Allen had cracked a joke in his life. But a few artistic aberrations are a small price to pay for the cinematic enfranchisement – it *is* slowly happening – of an entire sex.

BOOKS

England's golden age: when life was a riot

***Mark Archer** on a study of violence in the Hanoverian century*

"VERY GREAT Rebellion in France": Parson Woodforde's diary entry on the fall of the Bastille, almost overlooked between remarks about Somerset's bad weather and the purchase of a fine crab for one shilling, has long seemed to sum up the spirit of self-contented repose which settled over England during the Hanoverian Age.

In reality, as Ian Gilmour's fascinating study shows – it is subtitled *Governance and Violence in 18th Century England* – the kingdom was deeply divided; riots over politics, food and religion were endemic.

The realm was twice threatened by Jacobite rebellions, in 1715 and 1745, while the Gordon Riots in 1780 came close to toppling the state. In spite of the relative liberty of English institutions, the English penal code was the harshest in Europe. Stealing a handkerchief, consorting with gypsies and cutting down growing trees were among 200 capital offences. A "multitude of unhappy wretches," Mandeville wrote in 1725, "every year are put to death for trifles." Government was notorious for place-trading and corruption.

Violence was a fundamental fact of life. "In the 18th century few people disapproved of violence as such; the cause or the objective of the riot determined for the majority the view they took of it."

The quality and the mob were not two classes but the same people. When Pitt received the Freedom of the City of London, members of Brooks's set about his coach with bludgeons, wrecking it and injuring his servants.

Indeed, Gilmour argues that the liberty allowed to violence, especially mob rule, was essential to keeping the institutions of King, Lords and Commons in balance. Faced with the institutionalised violence of the press-gang, game laws and the harsh preponderance of capital offences in favour of property, the mob's violence was seldom against persons and generally inspired by a perceived injustice.

RIOTS, RISINGS AND REVOLUTION
by Ian Gilmour
Hutchinson £25, 504 pages

Gilmour's heroes are easy to spot: Burke, for one, who disagreed with those who were "against disturbing the public repose; I like a clamour whenever there is an abuse. The fire-bell at midnight disturbs your repose, but it keeps you from being burned in your bed", and Wilkes.

"In the 18th century two strands of protest can be differentiated although they occasionally intermingled: one, which ran from the Sacheverell riots to the Jewish Naturalisation Bill to the Gordon Riots, was the producer and product of prejudice and fanaticism; it served no useful purpose. The other, which ran through many food riots, the turnpike riots, some of the election riots and the Wilkite disturbances, had a strong feeling for law and custom and was seeking to make the authorities do their job or to reform them; often its violence was almost non-violent, and it was usually salutary."

In a short review it is difficult to do justice to the scope and intelligence of this marvellous account of a much misunderstood age. It is old-fashioned history-writing at its best, full of incident, personalities and intriguing facts.

One moment we are with Lord Gordon on the Commons balcony, giving the crowd bulletins about the debate inside ("Lord North calls you a mob!"), the next we are in the midst of a fascinating aside on duelling, its characters ("of the 14 Prime Ministers between 1779 and the repeal of the Corn Laws, six – Shelburne, Fox, Pitt, Canning, Wellington and Peel – fought or tried to fight a duel") and its pretexts ("Lord Falkland was killed because when drunk he said to Mr Powell, who was also drunk, 'What, drunk again tonight, Pogey?'").

Analysing the 1715 and '45 rebellions Gilmour shows how the English Jacobites preferred toasting their king across the water to risking violence. And like the best histories, Gilmour's is full of tantalising "what might have beens": "If the Jacobite invasion had occurred in 1740-41, after two very bad harvests and with Walpole still in power, it would probably have been far better received; by 1745 Walpole was gone, and the last four harvests had all been good."

Disraeli's verdict on the 18th-century was that "a people without power or education had been induced to believe themselves the freest and most enlightened nation in the world." According to Gilmour, this could not have been achieved without the safety-valve of violence. The patriotic pride of 18th-century country parsons, though justified, rested on a paradox.

Thoughts from an open mind

"A DAY without an argument is like an egg without salt", writes Angela Carter in the introduction to what she surely knew was likely to be a posthumous collection of her essays.

That savoury uncomplicated prose, always bristling for a fight yet just as ready to praise and celebrate, could turn its attention to anything from sociology to Salinger, Fielding to fetishes. The mind was always open, so unblinking and unafraid.

A decade ago Virago published *Nothing Sacred*, an anthology of Carter's journalism drawn largely from her columns for *New Society*. Book reviews occupied a relatively minor place in that scheme; they dominate *Expletives Deleted*.

Each of its five sections is triggered by books, by no means all of them novels, leading off into discursions upon food, London, Amerika (the Kafkaesque k is obligatory) and gender, out of which comes a torrent of ideas and images, all jostling for intellectual space.

The cultural range is bracingly wide, and the juxtapositions it generates sometimes startling. So Milorad Pavic's *Dictionary of the Khazars* is "In culinary terms neither tofuburger nor Big Mac, but a Chinese banquet, a multiplicity of short narrative and prose fragments . . . In other words it is not like a novel by Penelope Lively."

Pavic's singular achievement is extolled by Carter as "a novel without any sense of closure, the product of a vast generosity of the imagination", and it crystallises one of the main themes in her writing on fiction – how writers at the end of the 20th century are to come to terms with the problems of narrative continuity and open up the form to modes of writing that are neither linear nor self-contained.

EXPLETIVES DELETED
by Angela Carter
Chatto & Windus £15.99, 228 pages

Hence, on one level, Carter's fascination with the folk tradition (in this collection she takes in both Irish folk tales and the German legends of the brothers Grimm); hence too her admiration for John Berger and William Burroughs, even Christina Stead, and her unalloyed delight in the realisation that with *Empire of the Sun* J. G. Ballard was likely to (and did) receive the popular acclaim he had already richly earned in his less vaunted science fiction writings.

But her sympathies could be engaged by so many other qualities: by extravagance or formal elegance, surreal fantasy or stark realism. She abhorred snobbery and (particularly male) pretension; there is here a double-pronged attack on Elizabeth David and a savage dismissal of Paul Theroux's *My Secret History*, alongside extravagant (to me) praise of Michael Moorcock and of Grace Paley, which cannot avoid a glancing piece of unashamed malice – "I love to think how Joan Didion would hate Grace Paley".

She is wonderfully, truthfully ambivalent too about the US. "I think of the United States with awe and sadness, that the country has never, ever quite reneged on the beautiful promise inscribed on the Statue of Liberty . . . and yet has fucked so much up". Her transatlantic tour takes in Robert Coover, Louis Erdrich and Edmund White, together with Hollywood and comic strips; it constitutes, she suggests, the richest repository of contemporary myths, of tangled dreams and disappointments.

Expletives Deleted ends with a piece of reportage – Carter's impressions of James Joyce's Dublin 78 years on, chosen as an *envoi* because "for any writer in the English language the twentieth century starts on 16 June 1904, Bloomsday, and shows no sign of ending yet".

It has ended, alas, for Angela Carter, who died on February 16. We will miss her most for her fiction, a loss sharpened by the knowledge that her final novel *Wise Children* was one of her best. But also, as this collection demonstrates, we should cherish what we have of her piercing honesty, lack of pretension and sheer bloody-mindedness.

Andrew Clements

Sir Rex, island hero

TEN years ago, commanders of the Argentine troops invading the Falklands encountered Sir Rex Hunt, then governor of the islands, dressed in full Colonial Office regalia which included a plumed hat. One of the commanders was to reprimand Sir Rex for behaving "very ungentlemanly" by refusing to shake his hand. Sir Rex retorted: "It is very uncivilised of you to invade my country."

With few exceptions, Argentina's military men had little time for Sir Rex. The junta, conveniently forgetting their own illusions of grandeur, claimed that Sir Rex was arrogant and self-deluded and a personification of colonialism which the world could well do without. It was a view shared by some Foreign Office mandarins – although certainly not by all – who thought such lingering relics of empire were out of step with the subtle diplomatic priorities of Britain's changing role in the world.

Yet the islanders consider Sir Rex a hero for defending their wishes not to belong to Argentina during the 1970s. It was a decade when most British ministers seemed prepared to sell them down the River Plate, or at the very least give Buenos Aires such ambiguous signals as to make invasion a plausible option.

In June the islanders will welcome Sir Rex back, with Mrs Thatcher, to celebrate their liberation. The colonial regalia may have been retired to the Imperial War Museum, but islanders say they are even more British today.

Sir Rex, now retired and living in Berkshire, belonged to a dying breed of British Crown servants who found himself in the eye of a political storm more by accident than design. He was appointed Governor of the Falklands in 1979 following a decade when the Colonial Office to which he belonged had gradually been subsumed in the Foreign Office.

In the Falklands, as in other islands such as St Helena and Mauritius, the old colonial functions had survived with grandiose titles. In practice, however, the individuals who occupied them were second division players in a foreign service which had more use for diplomats than administrators.

MY FALKLAND DAYS
by Rex Hunt
David & Charles £18.99, 488 pages

Sir Rex was a veteran of several postings in Africa and Asia. He considered he had reached the pinnacle of his career with his appointment to the Falklands. "How ironic, I thought . . . to be responsible for fewer people than at the start, when, as Assistant District Commissioner in Uganda, I had been responsible for 100,000 souls." It was, as he notes, a reflection on the decline of the British Empire over the same period.

Briefly, during the Falklands war, people such as Sir Rex may have been forgiven for believing that such a trend was being reversed. The sending of the naval Task Force, to the strains of Rule Britannia, brought tears to those unused to accepting the UK reduction in status.

But Sir Rex did not have a very good war at all. Booted out of Las Malvinas by Generals Menendez and Company after nearly getting his head blown off, Sir Rex arrived at the British Embassy in Montevideo to be telephoned by Mrs Thatcher. Why, he was asked, had he not sent word to London when the Argentines arrived on the Falklands?

In fact Sir Rex had done a pretty good job of holding island morale together against enormous odds. While Whitehall was huffing and puffing about what to do next, it was Sir Rex and a small band of Marines who put up a brief but defiant last-stand against thousands of invading forces.

But Mrs Thatcher's question must have been a hint of what was to come. Number 10, the intelligence services, the Foreign Office and the Ministry of Defence would try hard to find someone to blame for Britain's failure to anticipate Argentina's intentions sooner. On returning to the UK, Sir Rex offered his services as part of the war effort. The day he volunteered for duty at the Foreign Office, he was stopped at the entrance because he did not have the necessary pass.

It is a pity that Sir Rex has not allowed chagrin to translate itself into a little rebellion against his former employers. The manuscript of his memoirs was submitted to the Foreign Office for pre-censorship.

I wonder, for instance, if there might not be a better explanation as to why the small band of British Marines who were stationed on the islands on April 2 1982 did not escape to the hills rather than surrender to the Argentines? The Marines knew the territory rather better than the Argentines and could have carried out an effective guerrilla operation. It was the kind of heroic exercise Sir Rex would have approved of, but then he was never really in charge. In the end it was Mrs Thatcher who took the credit, however briefly, for the "Falklands spirit" of renewed national pride.


Sir Rex Hunt

Michael Joseph has re-issued The Battle for the Falklands (£25, 384 pp.) by Max Hastings and Simon Jenkins, first published in 1983.

Jimmy Burns

Christianity and Jews

HANS KUNG has set himself the ambitious but almost certainly impossible task of reconciling the three great faiths which claim descent from Abraham: Judaism, Christianity and Islam. His slogan is, "no peace among the nations without peace among the religions; no peace among the religions without dialogue between the religions; no dialogue between the religions without investigation of the foundation of the religions." This book is the opening of the campaign: it is the first in a trilogy of investigations, the others will deal with Islam and Christianity.

Küng aims to discuss the history and theology of Judaism, the Jewish-Christian and Jewish-Muslim relationships, the Holocaust, and the founding and future of Israel.

There is much that is fascinating in this massive study, particularly Küng's synoptic view of Judaism's evolution from its disparate originating theologies and tribal traditions. In this regard the fact that Küng has an outsider's view enhances rather than detracts.

Some of the historical judgments invite dispute. Küng dates Christian anti-semitism to the 11th century, when a rumour swept Europe that the Jews had warned Sultan al-Hakim of Egypt that the Christians would conquer his empire unless he destroyed the Church of the Holy Sepulchre in Jerusalem. In the resulting Crusades, Jew and Moslem were together perceived as enemies, Küng says, making inevitable the anti-Jewish Constitutions of Pope Innocent III.

But Christian anti-semitism is far older than this; Küng seems to forget Augustine's Tract Against the Jews and other Patristic attacks, and takes barely any note of the anti-semitism in the New Testament itself. On these topics Dan Cohn-Sherbok's account is more persuasive and complete.

When it comes to the Holocaust, Küng's analysis is unblinking. Neither the importance nor the horror of the event can be underestimated, he argues, but nor can it be detached from its historical context and treated as an "absolute", for it lies squarely in the framework of German and human history, and can only be understood in terms of it. Cohn-Sherbok agrees with this view. But Küng argues also that Jewish politicians and thinkers should resist the temptation to use the Holocaust as a premiss in all contemporary arguments, especially in connection with current Middle Eastern questions, because without a fresh beginning based on reconciliation there can be no prospect for peace.

JUDAISM
by Hans Küng
SCM Press £35, 753 pages

THE CRUCIFIED JEW
by Dan Cohn-Sherbok
HarperCollins £17.95, 258 pages

In his different, less didactic but angrier account of anti-semitism through history, Cohn-Sherbok paints a bleak, troubling portrait of inhumanity and suffering, a portrait in which few escape the shame of prejudice – even those Enlightenment heroes, such as Voltaire, whom one would dearly wish to see otherwise. Both practising and nominal Christians too conveniently ignore this side of their history.

Cohn-Sherbok claims that the Holocaust was inevitable because of the long history of anti-semitism which preceded it, beginning in pagan times and gathering force as Christianity's dominance grew. There is no doubt that anti-semitism is the blackest aspect of Christianity's anyway dismal record, and it is only because there is such a tradition that it was so frighteningly easy for the Nazis first to scapegoat the Jews and later nearly to succeed in their hideous "Final Solution". But judgments of inevitability are hard to assess; too much else conspired to make Hitler possible. Some of what he says is utterly convincing: anti-semitism is resurfacing in Europe, and his book is timely, because it warns that if we do not see clearly, and resist strongly, there is no saying where the revivals of nationalism, racism and anti-semitism might end.

Both books are required reading. At least two of Küng's aims might be achieved if they were widely read: an increase of understanding of Judaism among non-Jews, and a resolve to forbid a terrible chapter of history repeating itself.

A C Grayling

Serious Steiner

GEORGE STEINER is writing fiction again. How can one tell? Because this resembles everything else he writes: serious opinions trenchantly put. His thin new volume, *Proofs and Three Parables*, advances his slowly accreted critical thinking; these four stories are not narrative romps but allegories for argument and scripts for thought.

Steiner believes that honest literary criticism is a passionate private experience seeking to persuade, and that its professional versions have about them neither rigour nor proof. His own criticism is everywhere driven by a strident liberalism which rightly refuses to forget the Holocaust. After Treblinka, when God is a shout in the street, criticism can do no better than remember.

His brilliant *Death of Tragedy* (1961) stopped short, after elegant discussions of Corneille, Hölderlin and the Greeks. On a train in Poland, Steiner hears of Russian officer prisoners eaten alive by the starved guard dogs of a retreating German army, the survivors shot by the liberating Russians lest the ranks see the abjection of their commanders; a woman tells of her sister in the Matthausen death-camp, but, says Steiner "I will not set it down here, for it is the kind of thing under which language breaks."

With such knowledge, Steiner can write fiction in *Proofs and Three Parables* only by making it continuous with his politics. On May Day, 1981, Steiner lectured at Christ's College, Cambridge and punningly predicted the decline of Communism in Europe: then, May Day ("m'aider") was a cry for help. Now in "Proofs", another cry: the "Professore", a Marxist proof reader in Italy faces the collapse of messianic Marxism.

This collapse tests the Western idealist more stringently than the Eastern pragmatist. Steiner works the problem through with long speeches from the Professore's reading-group in Marxist Revolutionary Theory and Praxis, and with the pointed allegory of failing eyesight (the Professore's left eye ceases to function). Soon, the Marxist group disintegrates: what then is to be done? The Professore joins the Communist Party, the PCI, only to discover that it has become the Party of the Democratic Left.

PROOFS AND THREE PARABLES
by George Steiner
Faber & Faber £5.99, 114 pages

The other stories include a bizarre version of *Desert Island Discs* and the volume concludes with a religious debate, "Conversation Piece": how could God ask such a thing of Abraham? What did Sarah know? Can God play jokes? And why do *men* argue over scriptural authority?

Proofs and Three Parables is not Steiner at his pellucid best, but if it sends one back to reread *Language and Silence* or *In Bluebeard's Castle* then it will have done enough.

Andrew St George

Playwright who turned into a fly

TAKE a deep breath before you consider the plot of Clive Sinclair's new novel, *Augustus Rex*. A very deep breath. What it needs from the reader is a willing suspension of disbelief, a readiness to meet the author halfway – perhaps more than halfway.

Grant him that much – and then brace yourself for a story in which August Strindberg, the Swedish playwright, did not die in 1912 as popularly supposed. Instead, he sold his soul to the Devil and was kept in suspended animation until 1961, when he rose again to become a powerful man and vigorous lover, the eponymous Rex of the title.

He is tempted by the Devil on the way, first with a sexy Jewish landlady (Strindberg was notoriously anti-Semitic) and then with his coronation in the ancient field where the Swedes traditionally elected their monarchs. He looks for the elixir of life, attempts to turn urine into gold, and aspires to win the Nobel prize.

Not surprisingly, perhaps, he goes mad instead and ends up wandering around Sweden for seven years before turning into a fly and buzzing round the sexual organs of his wife as she makes love to another man.

Weird? All Clive Sinclair's stuff is weird. He has always been an offbeat writer with a quirky way of looking at the world that is entirely his own. A cerebral writer, too: very whimsical and interested as much in the exploration of ideas as the simple mechanics of the plot. You either like his kind of writing or you don't; but whatever else you can say about him, he is always lucid, always original, never dull.

Far more straightforward as a writer is Stephen Amidon, an American living in England. For the hero of his second novel, *Thirst*, he has chosen an American living in . . . England. The resemblance ends there, however, because Daniel North is an actor and in no way an *alter ego* for the author.

He is at Heathrow airport when the novel begins, waiting to meet his father whom he has not seen for 13 acrimonious years. But his hopes for a reconciliation are dashed when North senior has a heart attack on the plane and arrives in London stone dead.

Undaunted, Daniel accompanies the body back to Arizona, where he delivers it to a stepmother his own age and meets his half-brother for the first time. He also meets his father's former employer, a shady businessman selling water rights to beat the drought. Was Daniel's father involved in criminal activity – something to do with wells drying up and illicit deals on the Salt Indian reservation? Daniel resolves to find out.

He takes a job to pay his way, playing the part of an Indian murder victim in the Arizona equivalent of Crimewatch UK. Then, by chance, he discovers that the victim's name was on a list in his father's possession. What possible connection could there be between his father and a headless Indian found in a canal?

Not what you might think, because Amidon is too good a writer for that. He handles his story with great verve, never showing his hand, always keeping the reader guessing. There is a hint of *Chinatown* in the plot and a nod, perhaps, to the American Indian novels of Tony Hillerman. If there is a complaint, it is that Daniel's behaviour at the denouement seems a little out of character; not at all what you might expect. But that is only a minor quibble in an otherwise neatly-executed book.

AUGUSTUS REX
by Clive Sinclair
Andre Deutsch £13.99, 210 pages

THIRST
by Stephen Amidon
Bloomsbury £15.99, 219 pages

EMMA SMART
by Jonathan Treitel
Bloomsbury £15.99, 277 pages

THE MAN WHO FELL IN LOVE WITH THE MOON
by Tom Spanbauer
Secker & Warburg £8.99, 400 pages

Jonathan Treitel's *Emma Smart* is a modern equivalent of Jane Austen's *Emma*. A Cambridge mathematician is enjoying a year's sabbatical at the Institute of Advanced Studies in New York. She was a child prodigy at Cambridge: only 11 when she went up. Ten years later, she is an adult at last, but still a virgin and happy to remain so.

In New York, she is befriended by an old university chum, who introduces her to L.Z. Allgrobsch, an enigmatic novelist and Nobel laureate from central Europe. Her friend wants to write Allgrobsch's biography, but is having trouble researching his early life. Emma offers to help, with intriguing results.

Treitel cheerfully acknowledges his debt to Jane Austen and tells an intellectual story in best academic manner, although one must quarrel with him about the existence of a McDonald's in Cambridge – it is the one example of American cultural imperialism that has not so far been permitted in the town.

The Man Who Fell In Love With The Moon is another very American creation, the product of the Columbia fiction programme and of 68 assistants thanked individually in the foreword ("Bless your hearts, you guys"). It begins dreadfully in an arch, approved writing school manner that clearly is aiming at Literature, if not High Art. Once the author settles down, though, his story gradually develops a certain peculiar charm of its own.

It is about a half-Red Indian boy, working as a male prostitute in Idaho at the turn of the century and desperately looking for his parents. At one point he has sex willingly with the man he believes to be his father, which seems to be par for the course in American novels these days. He identifies his parents in the end, although not before he has tried every kind of sexual combination you can think of, and one or two you almost certainly can't.

Nicholas Best

A likeable mishmash

Max Loppert on ENO's latest production of Don Carlos

THE BEST thing about the English National Opera *Don Carlos* is its chosen version. That may seem a flat compliment to pay an important new production; but in the case of this opera – one of the supreme masterpieces of the medium, but also one of the most textually complicated – the matter is in fact of the highest importance. The care with which ENO has made its editorial decisions indicates its approach to mounting the opera as a whole.

Don Carlos was written for Paris in 1867, then re-worked in stages over the next two decades. The basic choices for modern performance are the five-act 1867 original and the four-act 1883 four-act revision – but, since Andrew Porter's early-1970s discovery in the Paris Opera archives of much magnificent material cut before the 1867 first night, those choices have become considerably less clearcut.

ENO has gone for an expanded 1867 text (but with several passages in their 1883 revised form), including therein several key Porter discoveries. Notable among them are the full Fontainebleau choral opening, the exchange of masks between Elisabeth and Eboli, and, best of all, the Philip-Carlos prison duet (on a theme that Verdi re-used in his Requiem) followed by the original Paris form of the insurrection scene.

I admire the spirit of seriousness in which conductor, Mark Elder, and producer, David Pountney, have embarked on their presentation. No part of the opera has, one feels, escaped hard scrutiny, no editorial decision agreed without reasoned insight into character, situation and the opera's larger themes. It makes for a long evening four-and-a-half hours with two intervals but a gripping one.

The same spirit can be felt in the production choices. Pountney and the designer, David Fielding, have devised a modern theatrical environment in which Verdi's Grand Opera forms can seek out new resonances and "relevances". A clear distinction is drawn between decor (abstract neo-surrealist) and costume (handsome period) styles. The stage-floor is set aslant with coffins piling up beneath; bare walls catch fierce beams of "psychological" lighting; props and hangings are shaped and placed in the eye-teasing, sometimes strikingly beautiful ways familiar from more than one Fielding-designed opera staging.

Similarly, a clear contrast has been calculated between visual and acting styles. Behaviour, though not exactly observant of Spanish court etiquette (in Act 4 the queen appears before the king dressed in only a white nightdress), is not re-invented in parallel with the design. Indeed, touches of surprisingly old-fashioned melodrama can be felt in the treatment of Carlos (lots of head-holding and dropping to the floor) and Eboli (peals of menacing laughter in the Act 3 trio). Old-fashioned opera-acting of the better kind, sensitively felt, vigorously paced, marks the Fontainebleau opening, Philip's study, Carlos's prison cell and the whole of the finale.

It is, in sum, an arresting, intelligent, committed production and, for my taste, a fearful mishmash. It will surely be pounced on by foes of the ENO's "interventionist" stagings of the past decade as the latest vehicle for a heavy load of Coliseum clichés; the auto-da-fés certainly a Pountney Special – an over-the-top riot of (historically accurate) carnival colours and torture-and-burning details more appropriate to Bernstein's *Candide* ("What a day, what a day, For an auto-da-fé!") than Verdi's *Don Carlos*.

Thursday's performance found none of the participants at his or her best. Mr Elder, a *Don Carlos* conductor of proven excellence, will no doubt regain equilibrium and free himself from the tics of hustling the voices (choral as well as solo) that so marred the first half of the evening. There were many admirable features – expressive orchestral colours, rhythmic and dramatically patterned – along the way to the sublime finale, but the reading badly wanted the "long line" of musical direction of which this conductor has shown himself a master.

The cast is composed of prized ENO regulars – Edmund Barham (Carlos), Gwynne Howell (Philip), Jonathan Summers (Posa), Linda Finnie (Eboli), Richard Van Allan (Inquisitor) – and, as Elisabeth, Rosalind Plowright in her first ENO appearance for eight years. Mr Summers, a bit rough-voiced at first, grew to noble stature; he alone took continual care over line dynamics, a "French" clarity of utterance consistent both with the work's origins and with the tone of Porter's superb translation. Mr Howell, a dourly imposing king, and Miss Finnie, a princess disappointingly coarsened since her 1985 ENO Eboli, too often substituted force for focus. Mr Barham rings out some bravely heroic phrases – his top has developed a fine freedom – but aristocratic style is not in his line.

Miss Plowright, tall, handsome, eloquent with eyes and long hands, offers a contrastingly regal heroine. At first there was pleasure in hearing her back in healthy vocal form, with velvety colour throughout the range; but high-register strain crept in during through the long evening. Even so, on a stage too often cluttered by sincere but unrealised production ambitions, her Elisabeth and Mr Summers's Posa proved the figures who most regularly engaged audience emotions.

Sponsored by ENO Trust

Alastair Muir

Props and hangings are shaped and placed in the eye-teasing, sometimes strikingly beautiful ways

French flair at the fair

The Champs de Mars is the military soul of Paris, where Napoleon lies in monumental splendour and, in Les Invalides, Louis XIV's grandest building project in his capital, the wounded still parade the horrors of war.

For a few days in March the image strengthens with the appearance of tented white pavilions on the greensward. Inside the tents a desperate campaign is fought, with antique dealers trying to sell their stock to economically shell-shocked collectors.

The *Salon de Mars* appeared four years ago as an attempt to liven up Paris's art market in the long gap between the autumn Biennales. It quickly established itself as an important date on the international art fair calendar, attracting 115, mainly French, dealers this year, and 50,000 visitors.

Success has brought change. At the start the *Salon* was provocatively original, with no nonsense about dates. Challenging contemporary art was shown alongside re-assuring antiquities; solid 18th century French commodes nestled with sinister items of tribal art. Now the extremes have been subsumed inside a comprehensive art fair.

Some of the character has been lost, but the ingrained French feel for style, for outward show, has been retained. The long arm of the interior decorator might be sensed reaching down the avenues between the stands, but it is decorators with taste rather than decorators with the ability to persuade the rich to pay over the odds for kitsch.

Foreign dealers are slow to take up the Fair, but Michael Goedhuis of London was happy enough, selling $100,000 of oriental works of art at the opening party. The other London dealer showing for the first time, Stoppenbach & Delestre, was also pleased with its decision to bring home the French artists it usually offers in Cork Street. It quickly sold views of Paris by Harpignies.

The recession has split dealers in their attitude to fairs. Some wonder why they bother to operate from expensive galleries; they could trade to their traditional customers just as effectively from home, while meeting new clients at fairs; others think fairs are just another expense in dreadful times. But fairs get dealers out and about; expose them to the stock of their competitors; and, in Paris at least, ensure a constant flow of viewers. So far the trade in Paris has been less badly hit than in London, and sales at the *Salon* while not brisk were certainly steady. The delegation from the British Antique Dealers Association, there to pick up tips for its own fair under canvas, planned for Chelsea in May 1993, was impressed.

So what caught the eye? As always the stands of Perrin and Segoura, two of the handful of *grandes antiquaires* who set the standards in Paris, offered 18th century furniture, topped with clocks, porcelain, and indeed beds, all unfussy but shrieking refined taste. Galerie Mechiche best summed up the barrier-breaking tradition of the *Salon* by juxtaposing paintings by Balthus and Taples with Chinese pots dating back 4,000 years, Graeco-Roman sculptures, and 18th century furniture bearing the stamp of Jacob. And it all looked fine. Gisèle Croës from Brussels stopped you in your tracks with a collection of Chinese art, Tang figures, somehow enhanced by the loss of their original paint, quiet, enduring symbols of a millenium and more ago.

The attraction of the *Salon* is that it welcomes bizarre dealers like Gallerie Acteon, which offers "art de la locomotion", scale models of boats, cars and trains – and a full size papier-mâché horse presumably used by an artist painting Napoleon's generals. The drawback is that it is still French centred; coming so soon after Maastricht many foreign dealers feel they cannot exhibit at both. But the verdict this week was that demand had been fair to good, especially where dealers had reduced prices. Now that the *Salon* has built foundations it needs to bring in foreign galleries at the expense of some of the more meretricious contemporary dealers.

Antony Thorncroft

A troubled Winter

With *A Winter's Tale*, one gets exactly what the title suggests: the play starts with a brief shaft of pale sunlight, then gets steadily darker before shifting to the bucolic and ending in reconciliation in the court of Sicily where the tale began. It is one of the simplest of Shakespeare's plays, but also one of the most satisfying, because the story is so good. It is a tragi-comedy because although it has a happy ending, no-one can forget the pain that has gone before. *The Winter's Tale* is a very good plot for an opera.

The Theatre de Complicité, which, in spite of its name is British, is a touring company that places heavy emphasis on training, research and the use of theatre workshops. Its creative standards are high. The company has not previously gone in for the classics, so one looked forward to this production at the Lyric, Hammersmith with a mixture of pleasure, curiosity and trepidation.

The result is a curate's egg. The company is too good not to produce surprises and the odd stunning effect. On the other hand, *The Winter's Tale* is too good a play to need tampering with. If it ain't broke, don't fix it.

The piece is described in the company's own summary as "a violent nightmare of jealousy, destruction and hatred that becomes the miracle of a waking dream through the workings of the gods, Time, good fortune and great women". That is a reasonably accurate outline, and it is a passable joke that Time should be represented as *Time* magazine. One's doubt is the feminist stress on "great women". Some of the men, though of humbler origins, come out of the play just as well as the girls.

Quite the best moment in Annabel Arden's direction comes when the old shepherd emerges through the crackling storm, orders the sound effects to stop and finds the infant Perdita abandoned on the shore. That is the signal that the play falls into two parts and we know that we have moved into calmer waters.

It is also the signal for the company changing gear and beginning to embroider the text. The shepherd – well played by Kathryn Hunter, who has four parts altogether – adds lines of his own. The rogue Autolycus is played by Marcello Magni, one of the founders of the company. He speaks and sings half his lines in Italian and conducts a wonderful flirtation with a lady in the front row.

Nothing wrong with that – some of it is very funny – except that it does not really fit with the playing of part one which has been faithful enough to the text, but has been excessively violent.

One knows that Leontes is a dangerous man whose jealousy leads to terrible consequences, yet I wonder if he has to be quite as physically brutal, viciously kicking his servants and guards. That violence leaves a nasty taste which never quite goes away. It should be sufficient to show it through suggestion: the subtlety of the part is lost by being so explicit. Better to play him as a tortured introvert than a brutish beast.

I should add that when he returns at the end, Leontes is a transformed figure, an ageing man who movingly conveys his remorse. He is played by Simon McBurney, another of the company's founders. It is a tribute to him that I doubt if you would know without looking at the programme, that he doubles as the shepherd's son. Technically, the company is very inventive. The pity is that it has taken some of the beauty out of *The Winter's Tale*.

Malcolm Rutherford

The Winter's Tale, Lyric, Hammersmith, until May 2. Sponsored by Beck's Beer. Box Office 081 741 2311.

Chess No 917: 1 Rc8 Bd4(to stop Rc4+) 2 Ra8 Ba5(to stop Ra4+) 3 Rah8 and 4 R8h4 mate.

TELEVISION

SATURDAY

BBC1

6.35 Open University. 7.25 News. 7.30 Crystal Tipps and Alistair. 7.35 Wiz Bang. 7.45 Bravestarr. 8.05 Eggs 'n' Baker. 8.35 Thundercats. 9.00 Going Live!

12.12 **Weather.**

12.15 **Grandstand.** Introduced by Desmond Lynam from Aintree and Steve Rider from Putney. 12.15 Grand National and Boat Race Prologue. 1.00 News. 1.30 The Toss: Boat Race presidents opt for the Middlesex or Surrey stations. 1.45 Racing: The Cordon Bleu Handicap Hurdle. Boat Race: The crews take to the water. 2.20 Racing: The Aintree Chase. 2.35 The 138th University Boat Race: Oxford v Cambridge. 3.05 Racing: The Aintree Hurdle. 3.20 The Grand National Build-up. 4.00 Racing: The Grand National. Live coverage of racing's most gruelling event, with commentary by Peter O'Sullevan, Julian Wilson and John Hanmer. 4.20 The Re-Run. 4.40 Final Score. Times may vary.

5.10 **News.**

5.25 **Regional News and Sport.**

5.30 **Cartoon.**

5.40 **Jim'll Fix It.** New series.

6.15 **Big Break.** Host Jim Davidson is joined in the last of the series by snooker aces Willie Thorne, Steve James and Allison Fisher.

6.45 **Film: Any Which Way You Can.** Sequel to Every Which Way But Loose, about a trucker and his pet orang-utan who brawl their way across America. Starring Clint Eastwood, Sondra Locke and Ruth Gordon (1980).

8.30 **On the Up.**

9.00 **News, Sport and Campaign Report; Weather.**

9.30 **Casualty.** Julian (Nigel Le Vaillant) and Duffy (Cathy Shipton) take part in a dramatic mountain rescue when a hiking trip goes disastrously wrong for a group of teenagers.

10.20 **Grand National Highlights.** Review of the race, with commentary by Peter O'Sullevan, Julian Wilson and John Hanmer.

10.40 **Film: The Lion of Africa.** A beautiful intrepid doctor tackles bandits and dangerous terrain in her quest for rare medicine in West Africa. Starring Brooke Adams and Brian Dennehy (1987).

12.25 **Watch What Happens – Tony Bennett.**

1.15 **Weather.**

1.20 **Close.**

BBC2

6.40 **Open University.**

3.00 **Mahabharat.** (English subtitles).

3.40 **Film: Friendly Persuasion.** A Quaker family struggle to continue their peaceful existence at the outbreak of the Civil War. Western, starring Gary Cooper and Dorothy McGuire with Anthony Perkins and Richard Eyer (1956).

5.55 **Late Again.**

6.40 **News and Sport; Weather.**

6.55 **Kenneth Clark's Rembrandt.** First in a series of five films on the artist's life and work. The late distinguished art expert Lord Clark examines Rembrandt's self-portraits, in an interview filmed in 1974 during which he reveals his life-long admiration for 'one of the greatest painters who has ever lived'.

7.25 **The Life and Works.** Literary drama, written by Valerie Windsor, and starring Judy Campbell and Selina Cadell.

8.30 **Film: Diner.** Comedy-drama, set in the 1950s, following the lives and loves of a group of friends who regularly visit a Baltimore restaurant. Starring Steve Guttenberg, Mickey Rourke and Ellen Barkin (1982).

10.15 **Fine Cut: My Crazy Life.** Last in series examines gang warfare in Los Angeles. Jean-Pierre Gorin and anthropologist Dan Marks teamed up with gang members to script and produce a film challenging accepted views of gang life and social deprivation.

11.50 **Film: Kangchenjunga.** An ageing industrial tycoon's life is changed when he has a chance meeting with a rebellious young man. Bengali drama, directed by Satyajit Ray and his first colour film (1962)(English subtitles).

1.30 **Close.**

LWT

6.00 TV-am. 9.25 Motormouth. 11.30 Zorro. 12.00 The ITV Chart Show.

1.00 **ITN News; Weather.**

1.05 **LWT News; Weather.**

1.10 **Saint and Greavsie.** Ian and Jimmy preview tomorrow's FA Cup semi-finals and today's Football League programme. Plus, the best of the midweek action at home and abroad.

1.55 **The Day.**

2.00 **Cartoon Time.**

2.20 **Tournament of Champions.** Former Olympic champions meet in a head-to-head skiing event.

3.10 **Film: Burning Rubber.** A man with a passion for drag racing teams up with an infatuated girl in the hope of entering and winning an important race. Starring Alan Longmuir and Olivia Pascal (1980).

4.45 **Results Service.**

5.00 **ITN News; Weather.**

5.05 **LWT News; Weather.**

5.15 **Cartoon Time.**

5.35 **Beverly Hills 90210.** New series of the stylish teenage drama.

6.30 **Film: Live and Let Die.** James Bond investigates the murder of three British agents. The trail leads to Harlem and the Caribbean where he uncovers a drug-smuggling ring run by a sinister crimelord. Starring Roger Moore, Jane Seymour and Yaphet Kotto (1973).

8.40 **ITN News; Weather.**

8.55 **LWT Weather.**

9.00 **Appointment with Fear.** House of Glass. Strange things happen when Gerald Stafford inherits his grandmother's mansion.

9.30 **Tarrant on TV.**

10.30 **Aspel and Company.** Guests are Patricia Routledge, Sean Young and Oscar-winning actor Anthony Hopkins.

11.15 **Metro: The Making of Spielberg's 'Hook'.** Behind-the-scenes look at the Hollywood director's latest multi-million dollar movie, starring Robin Williams, Julia Roberts, Dustin Hoffman and Bob Hoskins.

11.50 **Tour of Duty.**

12.45 **Get Stuffed; ITN News Headlines.**

12.50 **WCW Pro Wrestling.**

1.45 **Get Stuffed.**

1.50 **Loose Cannon.**

2.45 **Bhangra Beat.**

3.10 **Coach.**

3.35 **American College Football Special.** Orange Bowl.

4.30 **The HR Man and Her.**

CHANNEL4

6.00 Early Morning. 10.00 Sign On. 10.30 Film: Ma and Pa Kettle. 11.50 The Magic Fluke. 12.00 Get Smart. 12.30 pm The Beverly Hillbillies.

1.00 **Film: Bells are Ringing.** A telephone answering service operator becomes involved in the lives of her clients. Starring Judy Holliday and Dean Martin (1960).

3.25 **Film: The Marrying Kind.** A couple on the verge of divorce recall their life together. Bitter-sweet drama, starring Judy Holliday and Aldo Ray (1952).

5.05 **Brookside.**

6.30 **Right to Reply.** A report and discussion on last week's Cutting Edge: Summerhill at 70. Teachers and pupils from Summerhill argue that the programme was one-sided and selective. Directors of the programme Harriet Gordon and Peter Getzels are in the studio to answer the charge.

7.00 **A Week in Politics.** The programme follows Michael Heseltine's high-speed campaign in South London and looks at how farmers, particularly in the West Country, are reconsidering their traditional allegiance to the Conservatives.

8.00 **TV Heaven: Introduction.** Classic TV entertainment from 1969.

8.05 **An Extra Bunch of Daffodils.** Comedy by Ray Galton and Alan Simpson. A wife murderer, who has dispatched four previous partners, meets his match with wife number five.

9.00 **Randall and Hopkirk (Deceased).** Mike Pratt and Kenneth Cope star in the popular series about two private eyes, one of whom is a ghost.

10.05 **Johnny Cash in San Quentin.** Footage of Cash's famous performance at San Quentin Jail, California, with candid interviews with prisoners on Death Row.

11.10 **Court TV: America on Trial.** Ohio v Banks. A college basketball star is charged with rape and sexual assault. The programme also includes a discussion between Steven Brill of Court TV and Jonathan Caplan QC, on whether rape trials should be televised.

12.10 **Film: The Last Gangster.** When a gangster is released from prison, he seeks revenge on his unfaithful wife. Starring Edward G Robinson, Rose Stradner and James Stewart. Shown as part of the Public Enemies season (1937).

1.40 **Close.**

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
11.30 The Munsters Today. 1.05 Anglia News. 1.55 Cartoon Time. 2.10 Starting from Scratch. 2.40 Chequered Flag. 3.10 Carry on Teacher. (1959) 5.05 Anglia News and Sport

BORDER:
1.05 Border News. 1.55 Rugby League. 5.05 Border News and Weather 11.15 Men.

CENTRAL:
1.05 Central News 1.55 Chequered Flag. 2.25 Davy Crockett. 3.20 Garfield Special. 4.10 The Making of Spielberg's 'Hook'. 5.05 Central News 5.15 Central Sports Special – Goals Extra. 5.25 Cartoon Time. 11.15 Twilight Zone – The Movie. (1983)

CHANNEL:
11.30 Blockbusters. 1.05 Diary Dates. 1.55 McCloud. 3.40 The A-Team. 4.35 Cartoon. 5.05 Channel News. 5.10 Puffin's Pla(i)ce.

GRAMPIAN:
11.30 Dinosaurs. 1.05 Grampian Headlines 1.55 Abairt 2.15 Crann Tara. 2.45 Superstars of Wrestling. 3.45 Champions of Grampian. 4.45 Scotsport Results. 5.05 Grampian Headlines 5.10 Criomagen. 5.15 Cuirm Cloinne. 11.15 The Making of Spielberg's 'Hook'. 11.50 Matlock.

GRANADA:
11.30 Children's Island. 1.05 Granada News 1.55 Rugby League. 3.50 Life and Times of Grizzly Adams. 5.05 Granada News 5.10 Granada Goals Extra. 11.15 Men.

HTV:
11.30 This is America, Charlie Brown. 1.05 HTV News. 1.55 Soccer in the Seventies. 2.25 Chequered Flag. 2.55 The Baby and the Battleship. (1956) 5.05 HTV News and Sport

SCOTTISH:
11.30 Dinosaurs. 1.05 Scotland Today. 1.55 The Life and Times of Grizzly Adams. 2.50 Cartoon. 3.05 Vera Cruz. (1954) 4.45 Scotsport Results. 5.05 Scotland Today. 11.15 The Making of Spielberg's 'Hook'. 11.50 The Young Riders.

TSW:
11.30 The South West Week. 1.05 TSW News. 1.55 Cartoon Time. 2.05 Cover Story. 2.35 To Catch a Thief. (1955) 5.05 TSW News. 5.15 Gus Honeybun's Cartoon Time. 11.15 Men.

TVS:
11.30 Blockbusters. 1.05 TVS News. 1.55 McCloud: Lady on the Run. (1974) 3.40 The A-Team. 4.35 Cartoon. 5.05 TVS News.

TYNE TEES:
11.30 My Secret Identity. 1.05 Regional News. 1.55 Rugby League. 3.50 Chequered Flag. 4.15 Cobblestones, Cottages and Castles. 5.05 Northern Life Sport Special. 11.15 Men.

ULSTER:
1.05 Ulster Newstime 1.55 Saturday Sport. 2.00 Superstars of Wrestling. 2.50 Fight Night. 3.50 The A-Team. 5.05 Ulster Newstime. 5.15 Saturday Sports Results in Ulster 8.55 Ulster Newstime 11.15 Men.

YORKSHIRE:
11.30 My Secret Identity. 1.05 Calendar News. 1.55 The A-Team. 2.50 Cartoon Time. 5.05 Calendar News. 11.50 Brotherhood of the Rose.

S4C Wales as Channel 4 except:-
11.00 D'Art. 11.30 Flipper. 5.20 4 Tel on View. 6.00 The Wonderful Wizard of Oz. 6.25 Eureeka's Castle. 6.55 Once Upon a Time. 7.25 In Conversation with... 7.55 Trans World Sport. 9.00 News Summary. 9.15 C4 Racing. 10.00 Jelfin. 10.30 Short Stories. 11.00 D'Art 11.30 Flipper.

SUNDAY

BBC1

6.45 Open University. 8.50 Playdays. 9.10 News. 9.15 Looking for God. 10.00 See Hear! 10.30 The Trojan Mouse. 11.00 CountryFile. 11.25 Weather for the Week Ahead. 11.30 Daffy Duck.

11.45 **EastEnders.**

12.45 **Match of the Day: The Road to Wembley.** Liverpool v Portsmouth in the FA Cup semi-final, live from Highbury. Graham Souness' squad are favourites to win the trophy, while Portsmouth hope to reach their first final for 53 years. Introduced by Desmond Lynam. (News summary at approximately 1.50).

3.00 **Match of the Day: The Road to Wembley.** Norwich City v Sunderland in the FA Cup semi-final, live from Hillsborough. Norwich have never won the Cup, while Sunderland hope to add a third victory to their achievements. Introduced by Desmond Lynam and Bob Wilson.

5.30 **Bugs Bunny.**

5.50 **Some Mothers Do 'Ave 'Em.**

6.25 **News.**

6.40 **Village Praise.** Pam Rhodes visits the Sherwood Forest where the mining communities of Edwinstowe and Whaley Thorns join together to sing their favourite hymns.

7.15 **May to December.**

7.45 **Lovejoy.** When an unscrupulous antiques dealer swindles nearly £2 million from an American widow, Lovejoy plans to retrieve the money with an elaborate plan.

9.30 **Screaming.** Carla Lane comedy.

10.00 **Party Election Broadcast** by the Liberal Democrats.

10.10 **News and Campaign Report.**

10.35 **Mastermind.**

11.05 **Heart of the Matter.** How much has the General Election to do with religion? Bruce Kent, Lord Beaumont and the Bishop of Peterborough discuss the impact of faith on political action. Presented by Joan Bakewell.

11.40 **The Vote Race.** Former party image-makers Michael Dobbs, Barry Delaney and Tom McNally review the week's Election marketing campaign.

12.20 **The Sky at Night.** Patrick Moore is joined by Dr David Malin of the Anglo-Australian Observatory in New South Wales, who demonstrates his revolutionary photographic techniques.

12.40 **Mahabharat.** (English subtitles).

1.20 **Weather.**

1.25 **Close.**

BBC2

6.35 Open University. 12.00 Film: Saps at Sea starring Laurel and Hardy.

1.00 **On the Record.** With the election just days away, the leaders of the three main parties go on the record with Jonathan Dimbleby who puts the key questions in turn to John Major, Neil Kinnock and Paddy Ashdown, concentrating on the weak spots of each campaign.

2.00 **Kali the Lion.**

3.00 **Film: The Man Who Shot Liberty Valance.** James Stewart plays a lawyer who attempts to civilise the Old West, but first he must engage the skills of cowboy John Wayne. Classic Western, also starring Lee Marvin and Vera Miles (1962).

5.00 **Rugby Special.** Old rivals Gloucester and Bath do battle at Kingsholm, while defending champions Harlequins are at home to Leicester in the semi-finals of the Pilkington Cup.

6.00 **Grand Prix.** Highlights of the Brazilian Grand Prix from Interlagos.

7.05 **The Money Programme.** Examining the Labour Party's economic policies and plans for business and industry, the BBC's economics editor Peter Jay turns the spotlight on Shadow Chancellor John Smith and Trade and Industry Spokesman Gordon Brown.

7.45 **Messiah in Dublin.** Barry McGovern introduces Handel's Messiah, recorded at the Royal Hospital, Kilmainham, to celebrate the 250th anniversary of its first performance.

10.00 **Screen Two: Enchanted April.** Four very different women find their lives in London driving them to desperation, so they escape to a castle in Italy. However, they are unprepared for how the holiday affects them. Romantic comedy, starring Miranda Richardson, Josie Lawrence, Joan Plowright, Alfred Molina and Polly Walker.

11.40 **Party Election Broadcast** by the Liberal Democrats.

11.50 **Film: Chinese Boxes.** A heroin smuggler in Berlin is drawn into a complex web of murder and deceit. Starring Will Patton, Gottfried John and Robbie Coltrane (1984)(English subtitles).

1.20 **Close.**

LWT

6.00 TV-am. 9.25 Disney's Donald Loves Daisy. 10.20 The Littlest Hobo. 10.45 Link. 11.00 Morning Worship. 12.00 Visions. 12.30 pm LWT News Weekend. 12.55 LWT Weather.

1.00 **ITN News; Weather.**

1.10 **Walden.** Brian Walden interviews Liberal Democrat leader Paddy Ashdown; The Day.

2.00 **Film: Superman III.** Christopher Reeve returns as the flying superhero, who undergoes a serious personality change as a result of a cunning plan engineered by a fiendish villain and his assistant. With Robert Vaughn, Richard Pryor and Annette O'Toole (1983).

4.35 **Cartoon Time.**

4.55 **The American Match.**

5.55 **Dogs with Dunbar.** New series.

6.25 **ITN News; Weather.**

6.30 **LWT News; Weather.**

6.35 **Party Election Broadcast** by the Liberal Democrats.

6.45 **Highway.** Sir Harry makes the first of two visits to the Rock of Gibraltar where he meets Rev Padre Paul Mears in the Rock's only non-alcoholic bar.

7.15 **The Piglet Files.** Nicholas Lyndhurst stars as the bumbling secret agent Peter Chapman.

7.45 **Forever Green.** Divided loyalties split the Boult family. When Jack agrees to help a local man convert his barn into flats, Harriet joins a petition against the scheme. Starring John Alderton and Pauline Collins.

8.45 **Jeeves and Wooster.** To keep his friends Bicky and Rocky happy, Bertie becomes embroiled in a complex case of deception and mistaken identity.

9.45 **ITN News; Weather.**

10.00 **LWT Weather.**

10.05 **Old Boy Network.**

10.35 **The South Bank Show** Portrait of British film-maker Terence Davies, acclaimed director of Saturday Night and Sunday Morning, whose latest film, The Long Day Closes, is a contender in the 1992 Cannes Film Festival; The Day.

11.35 **Cue the Music.** Van Morrison in concert.

12.35 **Extreme East.**

1.10 **Derrick.**

2.15 **The ITV Chart Show.**

3.15 **Film: Target: Harry.** Vic Morrow and Suzanne Pleshette star in this remake of the Maltese Falcon, directed by cult film-maker Roger Corman (1969).

4.35 **Pick of the Week.**

5.05 **Soap.**

CHANNEL4

6.00 Early Morning. 9.25 The Sword of Tipu Sultan.(English subtitles). 10.00 Dispatches. 11.00 D'Art. 11.30 Flipper. 12.00 Little House on the Prairie.

1.00 **Voyage to the Bottom of the Sea.**

2.00 **Film: The Grapes of Wrath.** A group of Oklahoma farmers trek to California in the hope of a better life. Acclaimed drama, based on the John Steinbeck novel. Starring Henry Fonda (1940).

4.25 **Big World Animators.** Profile of artist-turned-animator Jane Aaron, including three of her pieces – Interior Designs, Remains to be Seen, and In Plain Sight.

4.55 **No Applause, Just Throw Money.** Street corners and subways in every city are the stage for many buskers and street performers. This film, featuring more than 100 performers, explores their world as they fight to be heard over the din of traffic.

5.30 **A Wing and a Prayer.** Two years ago, parachutist Adrian Mills was paralysed from the waist down following a sky-diving accident. This film follws his attempts to become the world's first solo paraplegic sky-diver.

6.00 **Press Gang.**

6.30 **The Wonder Years.**

7.00 **Channel 4 News.; Weather.**

8.00 **Out of Sight.** Exploring the lives of disabled people in Britain during the first half of the century. During the Second World War they played a key role working on the Home Front, but when it ended, they were rejected again.

8.30 **The Channel 4 Debate.** Three senior politicians face the scrutiny of their opponents and a studio audience. Presented by Clive Anderson.

10.00 **Film: The World According to Garp.** Acclaimed dramatic comedy about an aspiring writer and his domineering feminist mother, starring Robin Williams and Glenn Close. Based on the book by John Irving (1982).

12.30 **Party Election Broadcast**

12.40 **Film: An Impudent Girl.** Study of teenage angst, starring Charlotte Gainsbourg. A 13-year-old girl's drab existence changes when her idol arrives in town. Shown as part of the World Cinema season (1985)(English subtitles).

2.20 **Close.**

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.25 Goals Galore. 12.50 Anglia News. 2.00 The World Climbing Finals. 3.00 Cartoon Time. 3.25 Yanks. (1979) 5.55 A Village in - Orford. 6.30 Anglia News. 10.00 Regional Weather.

BORDER:
12.30 Gardening Time. 12.55 Border News. 2.35 Bullseye. 3.05 El Dorado. (1968) 5.25 Scotsport. 6.30 Border News. 11.35 Prisoner: Cell Block H.

CENTRAL:
9.25 Sky High. 12.30 Gardening Time. 2.00 1991 Highland Cross. 3.00 Yanks. 5.30 Dinosaurs. 6.00 Live! The World's Greatest Stunts. 6.30 Central News. 11.35 Dangerous Women.

CHANNEL:
9.25 Sky High. 12.30 Reflections. 12.35 Les Francais Chez-Vous. 12.50 Tele-Jornal. 2.00 My Secret Identity. 2.30 Playing with Courage. 3.00 Superman III. (1983) 5.30 Short Story Theatre. 5.55 Tell the Truth. 6.30 Channel News. 6.35 Music at St James.

GRAMPIAN:
9.25 Sky High. 10.45 Pick a Number. 11.15 Sunday Service. 11.45 Link. 12.30 My Secret Identity. 12.55 Grampian Headlines. 2.00 The Big Fish. 3.00 Hard Time on Planet Earth. 4.00 Country Matters. 4.30 Bullseye. 5.00 Scotsport. 5.55 Scotland at a Mile an Hour. 6.30 Grampian Headlines. 11.35 Prisoner: Cell Block H.

GRANADA:
12.25 Granada This Week. 2.00 The Making of Spielberg's 'Hook'. 2.35 Bullseye. 3.05 El Dorado. 5.25 Coronation Street. 6.30 Granada News 11.35 Prisoner: Cell Block H.

HTV:
12.30 West Country Farming. 12.55 HTV News. 2.00 HTV Newsweek. 2.30 Dinosaurs. 3.00 The American Match. 4.00 Tiger Bay. (1959) 5.55 House Style. 6.30 HTV News.

SCOTTISH:
9.25 Sky High. 10.45 Glen Michael's Cartoon Cavalcade. 11.15 Link. 11.30 Sunday Service. 12.30 Scottish Books. 12.55 Scotland Today 2.00 Coming of Age. 2.25 Cartoon. 2.35 Backstage. 2.45 Salute to the Marines. (1943) 4.30 Bullseye. 5.00 Scotsport. 5.55 Life Stories. 6.30 Scotland Today. 11.35 Taxi.

TSW:
9.25 Sky High. 12.30 TSW Farming Week. 12.55 TSW News. 2.00 Miss McTaggart Won't Lie Down. 2.30 Jack Thompson Down Under. 3.00 El Dorado. 5.25 Village Green. 5.55 House Style. 6.30 TSW News. 11.35 The Silk Road.

TVS:
9.25 Sky High. 12.30 TVS News. 12.35 Agenda. 2.00 My Secret Identity. 2.30 Playing with Courage. 3.00 Superman III. (1983) 5.30 Short Story Theatre. 5.55 Tell the Truth. 6.30 TVS News.

TYNE TEES:
9.25 Sky High. 12.25 Earthmovers. 12.55 Regional News. 2.00 The Making of Steven Spielberg's 'Hook'. 2.35 The Back Page. 3.05 El Dorado. 5.25 Bullseye. 5.55 Dinosaurs. 6.30 Regional News. 11.35 Prisoner: Cell Block H.

ULSTER:
12.25 Gardening Time. 12.55 Ulster News 2.00 The Making of Spielberg's 'Hook'. 2.35 Bullseye. 3.05 El Dorado. 5.25 Coronation Street. 6.30 Ulster Newstime 11.35 Gaelic Football.

YORKSHIRE:
9.25 Sky High. 12.25 Goals on Sunday. 12.50 Calendar News. 2.00 Disney's DTV Romancing. 3.00 Yanks. (1979) 5.30 Nightmare Moments in Sport. 6.30 Calendar News. 11.35 Scrumdown.

RADIO

SATURDAY

BBC RADIO 2
6.00 Barbara Sturgeon. 8.05 Brian Matthew. 10.00 Anne Robinson. 12.00 Mark Wynter. 1.00 The Clitheroe Kid. 1.30 The News Huddlines. 2.00 Ronnie Hilton. 3.00 Steve Race. 4.00 Sounds of Sinatra. 5.00 Cinema 2. 5.30 Singers at the Movies. 6.00 John Sachs Presents Clannad in Concert. 7.00 Funny That Way. 7.30 Gilbert and Sullivan. 10.00 Easy Does It. 10.30 The Arts Programme. 12.05 Ruth Etting. 12.35 Andrea Simmons. 4.00 Barbara Sturgeon

BBC RADIO 3
6.55 Weather and News Headlines
7.00 Morning Concert.
8.30 News.
8.35 Ulster Orchestra.
9.30 Saturday Review.
12.55 Molecules.
1.00 News.
1.05 Dezso Ranki
2.10 Berlin Philharmonic Orchestra.
3.30 Poulenc for Four Hands.
4.00 Tuning Up.
5.00 Jazz Record Requests.
5.45 Third Opinion.
6.30 Mazeppa.
9.30 Mistry Quartet.
10.20 Dohnanyi and Schubert.
11.10 Scriabin.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Farming Week.
6.50 Prayer for the Day.
7.00 Today.
9.00 News.
9.05 Sport on 4.
9.30 Breakaway.
10.00 News; Loose Ends.
11.00 (LW) The Politics of Choice. Robin Lustig looks at the Election campaign issue of the economy – without the help of politicians.
11.30 Europhile.
12.00 Money Box.
12.25 The News Quiz.
1.00 The World at One.
2.00 Costing the Earth.
2.30 Saturday Playhouse.
4.00 Age to Age.
4.30 Science Now.
5.00 PM.
6.00 News; Sports Round-Up.
6.25 Week Ending.
6.50 Stop the Week.
7.20 Kaleidoscope.
7.50 Classic Serial.
8.50 Conversation Piece.
9.20 Music in Mind.
9.50 Ten to Ten.
10.00 The World Tonight.
10.30 Open Mind.
11.00 Richard Baker Compares Notes.
11.30 Lip Service.
12.00 News.

BBC RADIO 5
6.00 Newsdesk.
6.30 Saturday Edition.
9.00 On Your Marks.
12.00 Countdown to the Grand National.
12.30 Sportscall.
1.30 Sport On 5.
6.00 Sports Report.
6.05 Six-O-Six.
7.30 La Top.
9.00 Afropop Worldwide.
10.15 On the Level.
12.00 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times BST:
6.00 News. 6.30 Londres Matin. 7.00 News; News About Britain; The World Today. 7.30 Meridian. 8.00 Newsdesk. 8.30 People And Politics. 9.00 News; Words of Faith; A Jolly Good Show. 10.00 News; Business Report; Worldbrief. 10.30 Personal View. 10.45 Sports Roundup. 11.00 News Summary; Jazz Now and Then. 11.25 Club 648. 11.30 Londres Midi. 11.45 Mittagsmagazin. 12.00 Newsdesk. 12.30 Meridian. 1.00 News; News About Britain. 1.15 Multitrack 3. 1.45 Sports Roundup.

2.00 Newshour. 3.00 News Summary. 3.01 Sportsworld. 4.14 News Summary. 4.15 BBC English. 4.30 News in German. 4.40 German Features. 5.00 News; Travel news; BBC English. 5.30 Londres Soir.

6.14 Letter From America. 6.29 News Summary. 6.30 Heute Aktuell. 7.00 German Features. 7.54 News in German. 8.00 News Summary; Politics And Pop.

8.30 Europe This Weekend. 9.00 News; Personal View; Words of Faith. 9.30 Meridian. 10.00 Newshour. 11.00 News; News About Britain. 11.15 Jazz For The Asking. 11.45 Sports Roundup.

12.00 News; Words of Faith; Book Choice. 12.15 A Jolly Good Show. 1.00 Newsdesk. 1.30 The Ken Bruce Show. 2.00 News Summary. 2.01 Play Of The Week/Globe Theatre: A Sense Of Things Moving Forward. 3.00 Newsdesk. 3.30 I Remember It Well. 4.00 News; Words Of Faith.

4.15 Sports Roundup. 4.30 Business Review. 4.45 News and Press Review in German.

SUNDAY

BBC RADIO 2
7.00 Don MacLean. 9.05 John Sachs. 12.00 Desmond Carrington. 2.00 Benny Green. 3.00 Alan Dell. 4.00 Duets for Four. 4.30 Sing Something Simple. 5.00 Charlie Chester. 7.00 Richard Baker.

8.30 Sunday Half-Hour. 9.00 Alan Keith. 10.00 Arts Programme. 12.00 Mark Wynter. 1.00 Andrea Simmons. 4.00 Alex Lester.

BBC RADIO 3
6.55 Weather.
7.00 Morning Concert.
8.30 News.
8.35 A Land with Music.
9.15 Maurizio Pollini.
10.15 Music Weekly.
11.00 From the Proms 1991.
12.30 La Triomphe de l'Amour.
12.45 Table Talk.
1.00 News.
1.05 Your Concert Choice.
2.30 Mozart at the Wigmore Hall.
3.55 Poet of the Month.
4.20 BBC Symphony Orchestra.
5.15 Opera News.
6.00 In Manus Tuas.
7.00 Korngold.
7.30 Critics' Choice.
8.30 Beethoven and Schoenberg.
10.55 BBC Concert Orchestra.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News Briefing.
6.10 Prelude.
6.30 News; Morning Has Broken.
7.00 News.
7.10 Sunday Papers.
7.15 On Your Farm.
7.40 Sunday.
8.00 News.
8.10 Sunday Papers.
8.50 Angela Rippon.
9.00 News.
9.10 Sunday Papers.
9.15 Letter from America.
9.30 Morning Service.
10.15 The Archers.
11.15 News Stand.
11.30 Pick of the Week.
12.15 Desert Island Discs.
1.00 The World This Weekend including interview with Labour Party leader Neil Kinnock.
2.00 Gardeners' Question Time.
2.30 Globe Theatre.
3.30 The Radio Programme.
4.00 Analysis.
4.47 Treasure Islands.
5.00 Down Your Way.
5.40 The Week on 4.
6.00 News.
6.30 Europhile.
7.00 In Business.
7.30 Bookshelf.
8.00 Punters.
8.40 Reading Aloud.
9.00 The Natural History Programme.
9.30 Special Assignment.
10.00 The World Tonight.
10.30 Stand and Deliver.
11.15 Just do your Best.
11.30 Seeds of Faith.
12.00 News.

BBC RADIO 5
6.00 Newsdesk.
7.00 Meridian.
7.30 Sunday Edition.
9.00 Johnnie Walker.
10.30 Education Matters.
11.00 Kitchen Cabinet.
11.30 FA Cup and Grand Prix Extra.
7.10 Open University.
10.10 Across the Line.
12.00 Close.

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CHESS

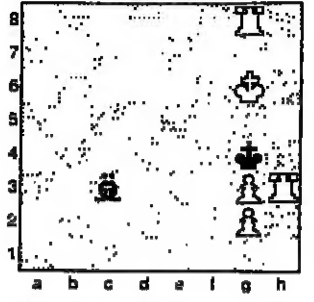
NIGEL SHORT'S world title candidates semi-final against Anatoly Karpov starts on April 10 at Linares, Spain, and is the most critical series of the English champion's career. The winner of the ten-game match goes on to play Artur Yusupov of Russia or Jan Timman of Holland. The eventual candidates survivor reaches the ultimate chess pot of gold, a share of the £2.2m prize fund on offer for Gary Kasparov's title defence in Los Angeles next year.

Until last month it looked promising for Short, who finished ahead of Karpov at Amsterdam and Tilburg 1991 and was level in his last 11 games with the ex-champion. Then Short had his worst result for years at the Linares tournament. He finished joint last and Karpov, 3½ points ahead of the Briton, won their individual game in style.

Karpov had to be favourite anyway. His only defeats in matches since he entered senior chess have been from Kasparov, and he led 5-0 at one stage in his first series against his great rival. At 41, Karpov's ambition has diminished only to the extent that he no longer plays with conviction against Kasparov. But he still fights fiercely against attempts to usurp his No 2 status.

Short has had less than a month to recover from the trauma of Linares. He has a tendency in matches to start slowly and drop a game behind, a likely fatal habit against a Karpov. Short's optimum strategy may be the Fabian approach adopted by Schlechter against Lasker in 1910 and more recently by Kasparov against Karpov in 1984-5. That is to slow matters down with a long series of draws, gradually build up tension, and strike for a win late in the match. At 26, this is Short's great opportunity before younger contenders like Anand, Ivanchuk and Kamsky become too strong.

CHESS No 917



White mates in four moves, against any defence (by NA Macleod, 1984).

Solution Page XX

Leonard Barden

BRIDGE

A NEW edition in paperback of *How To Read Your Opponents' Cards*, by Mike Lawrence, has been published by Robert Hale at £6.95. From the chapter Checking The Evidence, we examine a little slam contract:

N
♠ 7 2
♥ A 10 8 6 4
♦ Q 10 8
♣ A K 3

W	E
♠ Q J 10 8 5 3	♠ 9 6
♥ K 5	♥ 2
♦ 5 3	♦ K J 9 7 4
♣ Q J 2	♣ 9 8 7 6 4

S
♠ A K 4
♥ Q J 9 7 3
♦ A 6 2
♣ 10 5

With East-West game, South is dealer and opens with one heart. North replies with three clubs and South re-bids three no-trumps. Now, an ambitious North says four no-trumps and, after the response of five hearts, bids six hearts.

West leads the spade queen and declarer finds himself in a contract depending upon a trump finesse and a guess in the diamond suit. Should South take the heart finesse? Yes, there is no reason not to. Winning the spade queen with his ace, South runs the heart queen. This holds, and East follows with the two. How should declarer continue? Draw the last trump and eliminate the spades and clubs? Possibly some clue might turn up. It does. West is found to have started with six spades to queen, knave, 10; king and another heart; and queen, knave and another club. West, who passed over South's one heart, cannot hold the diamond king. At trick nine, declarer leads the diamond two and finesses dummy's 10. East wins with the knave, but is trapped.

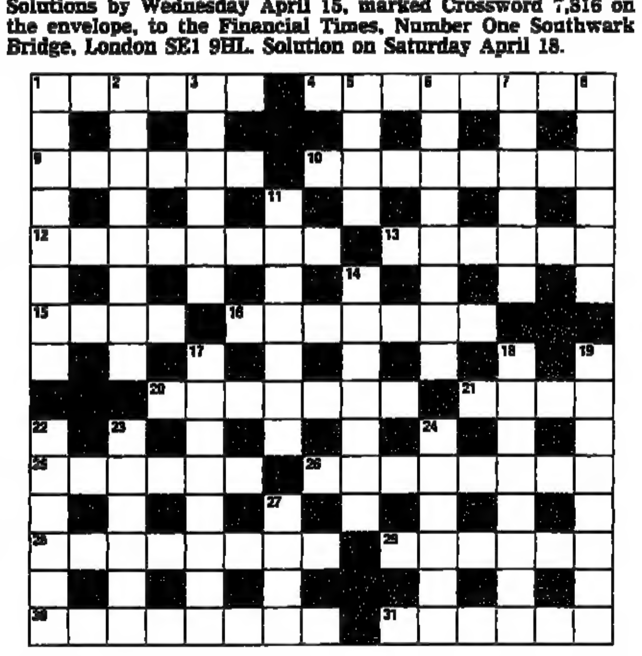
Should East return a diamond, it will run into the declarer's split tenace; should he lead a club, he concedes a ruff discard, which allows South to discard a losing diamond while dummy ruffs. Good card reading and expert technique.

E.P.C. Cotter

CROSSWORD

No. 7,816 Set by DINMUTZ

A prize of a classic Pelikan Souveran 800 fountain pen for the first correct solution opened and five runner-up prizes of £15. Solutions by Wednesday April 15, marked Crossword 7,816 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday April 18.



Name...

Address...

ACROSS
1 Get into trouble with a sherry-glass (6)
4 Monkey with man's head, limb and twisted toes (8)
9 Smart chap to be in a fury, we hear (6)
10 Climber's first purchase? (8)
12 False starts at Newmarket, for example (8)
13 Make a sculpture – church lies ready! (6)
15 Lady retired in baronial setting (4)
16 Sickly-looking child needs an overcoat (7)
20 Lent pay out in abundance (7)
21 Powder carried by hospital cases? (4)
25 Belied being cooked. It is fit for the table (6)
26 It takes a turn for the better (8)
28 Common resort! (8)
29 Attractive bar in which Bunter appeared (6)
30 Fiddler and vase-maker to the queen (8)
31 Jazz-fans appearing for trial? What a sauce! (6)

DOWN
1 Pit-company menial, possibly (8)
2 Bliss overture guaranteed (8)
3 Bond's tie? (6)
5 Over from a spinner (4)
6 Strikers held in this game on television (8)
7 Betting-ring to employ mate (6)
8 Go like a two-year-old? (6)
11 Fish left in straw-hat (7)
14 Intimate tribute? (7)
17 Acclaim new papal habit (8)
18 Rotten place for Harold, as things turned out (8)
19 Salary ceiling achieved, though one is on the bottle' (5-3)
22 Add strength to meat being served (4,2)
23 Run straight (6)
24 This wool would be a record on a tailless cat! (6)
27 Formerly, how a cousin could have been removed (4)

Solution to Puzzle No.7,815

S	A	B	O	T	S	■	S	T	O	P	P	A	G	E
H	■	E	■	H	■	■	■	O	■	O	■	P	■	I
E	V	A	D	E	R	■	S	T	E	R	L	I	N	G
A	■	R	■	O	■	G	■	E	■	T	■	E	■	H
R	E	S	E	R	V	E	D	■	M	A	S	C	O	T
I	■	K	■	Y	■	N	■	C	■	B	■	E	■	S
N	A	I	F	■	R	E	G	A	L	L	Y	■	■	■
G	■	N	■	T	■	R	■	T	■	E	■	O	■	D
■	■	■	D	E	B	A	T	E	R	■	L	O	V	E
S	■	P	■	E	■	L	■	R	■	D	■	N	■	T
C	H	A	I	N	S	■	S	E	R	E	N	A	D	E
R	■	S	■	A	■	L	■	R	■	S	■	T	■	S
I	N	T	E	G	R	A	L	■	D	E	S	I	S	T
P	■	E	■	E	■	W	■	■	■	R	■	O	■	E
T	O	L	E	R	A	N	T	■	A	T	O	N	E	D

Solution and winners of Puzzle No.7,804

F	E	M	A	L	E	■	F	L	E	T	C	H	E	R
O	■	A	■	I	■	■	■	O	■	O	■	A	■	E
R	E	X	I	N	E	■	S	N	O	W	D	R	O	P
E	■	I	■	I	■	C	■	G	■	E	■	A	■	I
L	U	M	I	N	A	R	Y	■	P	R	I	S	O	N
O	■	I	■	G	■	U	■	C	■	I	■	S	■	E
C	A	S	E	■	S	C	A	L	E	N	E	■	■	■
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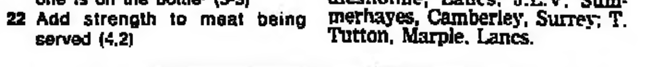
■	■	■	P	R	O	F	U	S	E	■	S	H	O	W
P	■	R	■	E	■	Y	■	U	■	I	■	A	■	I
R	E	S	I	D	E	■	C	R	A	C	K	P	O	T
O	■	H	■	I	■	S	■	E	■	A	■	I	■	C
S	C	R	A	T	C	H	Y	■	W	R	E	T	C	H
I	■	A	■	O	■	O	■	■	■	U	■	E	■	E
T	E	M	E	R	I	T	Y	■	U	S	U	R	E	R

Mrs Bicknell, Orpington, Kent; D.H. Clayton, Heathgates, Shrewsbury; F. Haigh, Ottawa, Canada; D. Kirkbright, Brandlesholme, Lancs; J.L.V. Summerhayes, Camberley, Surrey; T. Tutton, Marple, Lancs.



The joke is on the British voters

***Dominic Lawson** on the funny story the media are ignoring*

THE FIRST of April is the day on which the English prove that their famous sense of humour is vastly over-rated.

The people who run newspapers, radio and television programmes spend days deciding what rip-roaring uproarious spoof they will perpetrate on their audiences, and come up, inevitably, with humour designed by a committee, which is no fun at all.

The front page of *The Times* last Wednesday had us all in the aisles with an account of secret talks over the future of Belgium. Flanders, said *The Times*, is to join the Netherlands, while Wallonia is to seek union with France. This April Fool spread rib-achingly on to the leader column: "The report on our news pages that Belgium may be dissolved as a unified nation comes as a shock." Only to you, Sir. The Thunderer goes on to conclude that Brussels's Grand Place should be renamed "Place du 1er Avril 1992". 'Pon my word! so it was a joke all along.

But all this was high class stuff compared with the BBC Radio 4's Today programme. They had a twee little item, which purported to prove that scientists had isolated a humour gene. Guess what? Germans don't have a trace of the humour gene, while we British, apparently, have double rations. Not on the strength of that April Fool prank, we do not.

But I am glad to say there was one normally straight faced publisher of news and information, which abandoned its unremittingly high tone to come up with a series of wonderfully absurd April Fools. I am referring, of course to the April 1 issue of the *Financial Times*. I suppose the *FT* does have an advantage in this sort of prank. If one is habitually serous and responsible, a sudden outbreak of humour strikes onlookers as that much more funny.

Here are just a few of the April Fool stories I spotted in Wednesday's *FT*. I'm sure there were others which I failed to crack.

On the front page, there was a superb spoof item about the International Monetary Fund offering to lend Russia $4bn after "close scrutiny by the board of the economic programme presented by a Russian delegation."

The next day the Russian finance minister Yegor Caidar was sacked, presumably when Boris Yeltsin discovered that the *FT* story was just a brilliant prank, and that the IMF was not after all prepared to lend $4bn to a non-existent country, which, if it did exist, would have an economy smaller than that of Wales.

Then on the home news pages, the *FT* ran a delightful joke item entitled "Average family better off than a year ago". If such a story had appeared in the *Daily Mail* or the *Daily Express* one would have immediately known it was invented for the benefit of the Conservative election campaign, but seeing it in these unbiased pages, I experienced the brief frisson of falling for it, before laughing incredulously – the essence of a good April Fool's joke.

But the *FT*'s biggest prank – which ran through the entire paper – unfortunately failed to come off.

On the back page it was revealed that the Bank of Japan had cut its official discount rate to 3.75 per cent. On the front page it was stated that the US Federal Reserve was discounting at 4 per cent. But right next to that true fact the *FT* mischievously stated that the London Interbank lending rate was 11 per cent.

Eleven per cent, in the middle of a deep recession, while inflation is below 4 per cent and falling! That really is overdoing the spirit of April Fool's Day, even for the new lively *FT*.

What the jokers who thought this spoof up had forgotten, is that humour must be consistent. If our interest rate really were so grotesquely out of line and at such wilfully damaging levels opposition politicians in an election campaign would have been screaming for them to be brought down, and back bench Conservative MPs would be demanding Norman Lamont's resignation.

Yet instead the *FT* gives the impression that in such an implausible situation all the parties are agreed that the British economy should be sacrificed on the altar of the United Germany's money supply figures. That is taking an April Fool's joke too far.

■ *Dominic Lawson is editor of The Spectator.*

Private View/**Christian Tyler**

Silent, violent, and nobody's pawn

Lennox Lewis, the British contender for the world heavyweight boxing championship, talks about hype, stardom, money and . . . chess

THIS WEEK, by way of a change, I took on the British and European heavyweight boxing champion, Lennox Lewis – and beat him.

He opened carefully, but soon launched an attack that had me pinned in the corner. With a flurry of vicious exchanges, I managed to haul myself off the ropes and dash for the open. Then, by a fluke, I found the shot to drop him.

Checkmate. But Lewis, British contender for the world heavyweight crown, is a natural chess-player and if he had not just done five rounds in the ring with Mike "The Duke" Dixon, his sparring partner from Atlanta, Georgia, I think he would have mashed me

At 6ft 5in and 16½ stone, Lewis is big, strong and handsome. But he is also a thinker and light on his feet. Watching him at training in a west Country gym this week I was reminded of Muhammad Ali, The Greatest, and Lewis's boyhood hero.

Boxers do not have to be thugs. There were five professional boxers in the converted cider farm this week where Lewis is training for his fight with Derek Williams, the Commonwealth champion, in London's Albert Hall on April 30. The others were "Pepe" Correa, Lewis's new trainer, Harold Knight, assistant coach – both from America – and Tex Woodward, the gym's English owner.

Forget the grunts and thud of body blows, the shouts and flying sweat, the heavy beat of the rap music. Here was a group of gentlemen in pursuit of the noble art. I squared my shoulders, poked a punch-bag and felt a twinge of envy.

Whether Lewis wins the crown or not (he is ranked fourth in the world but his path to current champion Evander Holyfield is not clear), he sees himself as Ali's heir, a boxer who uses his brains.

"I'm a deep thinker, very deep," he told me. "My friends call me 'chemist' or 'scientist' 'cause I'm always thinkin' and always one step ahead. That's why I like chess."

I asked Lewis how he became a boxer. What were you like as a child?

"I would say I was quiet, very playful. I liked to fight, and I liked competition.

What about schoolwork?

"I was quite good. The only thing I would say that interrupted it would be boxing. But I did finish high school."

Lewis was born in east London 26 years ago of Jamaican parents (he did not know his father). When he was 1½ his mother Violet took him and his elder brother Dennis, who now works for him, to Toronto.

At school in Canada the other kids mocked his Cockney accent. "So I would go and fight them all the time. After about the third time getting the strap from the principal – he's a nice guy – he said I should get into contact sport because I was an aggressive kid."

Were you?

"I would say more hyperactive. I wanted to do everything. I was into everything. So I took up boxing and I seemed to excel so I stuck with it."

Lewis had played American football and soccer and won a basketball scholarship from high school. But boxing was his element. He won the World Junior Championships and Commonwealth Games and then the superheavyweight gold medal at the Seoul Olympics.

Three years ago he turned professional, accepting a bid from the English stable run by Frank Maloney. The principal backer was Roger Levitt, now his commercial manager, who invested £1m in pursuit of his dream of begetting Britain's first world heavyweight champion for 100 years. Levitt is perhaps better known as the head of the failed financial services group who has been remanded on bail for alleged fraud.

I asked Lewis why he chose to come back to England.

"I could come over here and not be mixed up in the hype. The most important thing to me was control over my career and destiny. Most boxers don't have that. They gave me more control – basically every decision I have the final say over, where I want to train, who I want to fight. I would hate for my career to be wrecked by another individual. I would rather it be wrecked by me.

"I look at the dark side of boxing – the bad promotions, bad opponents they pick, the money they would take from you. I want to make sure there's nobody ripping me off or using me in any way.

"I hate the critics that don't know anything about boxing. They go out there and say 'I like to see you throw more punches' and not realise what you go through."

I asked him whether he would be able to sack any or all of his own team if he wanted.

"Let me tell you, I employ all of them. You have to remember, without me they have nothing."

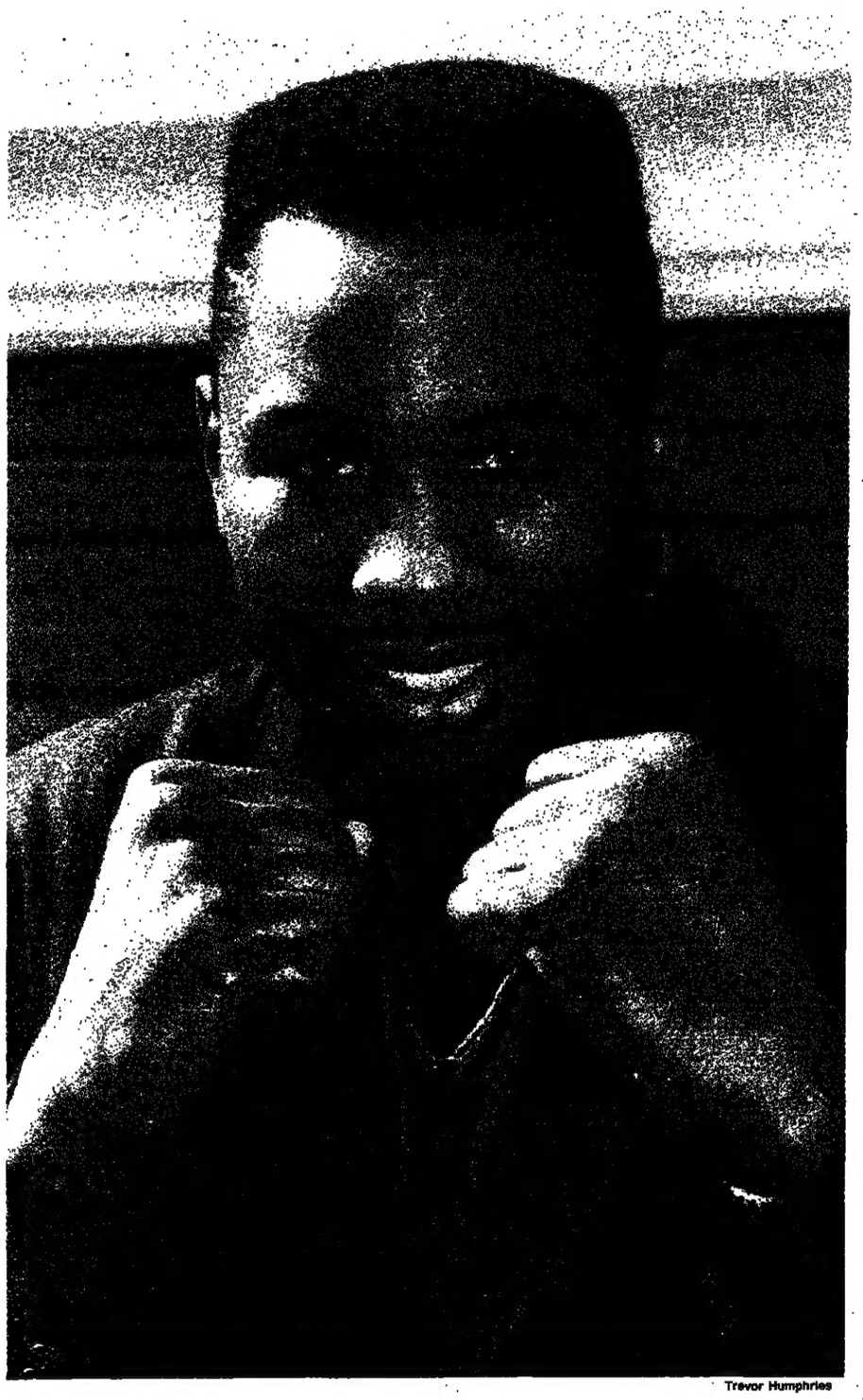
But you are still only 26. Can you really be self-sufficient?

"That's why I bring my mother into it. She advises me on certain decisions. She can only advise me – but mothers always get their way in the end if they really want it! I bring my brother into it." Lewis may be a soloist, a chess player, but I wondered how aggressive he was in the ring. How do you think of your opponent? I asked.

"*I don't have any hate for him.* It's more like a competition. I'm there to outdo him, to hit and not be hit."

Do trainers tell their boxers to beat their opponents' brains in?

"I feel that's the wrong way to teach a guy. Maybe that's a way of motivating them but I don't need that kind of motivation. I'm more the silent, violent, deadly type. I would say I'm more vindictive because if a guy hits me I'm going to hit him back three times for every one. You're not supposed to hit me."



Trevor Humphries

Are you afraid you'll end up with scrambled brains?

"Well, like I said, there's people that's made for boxing and people that aren't. My style is the art of hitting and not being hit. There's always some risk but there's risks in everything."

Have you met anyone who has made you afraid?

"I haven't met anyone like that, really. No. If I feel threatened something else comes out in me. It's like putting a cat in a corner and he has nowhere to go. The cat will leap at you and start clawing."

One boxing critic I've read said you sometimes look bored.

"Because of my talent. I'm a natural boxer. I don't have to work as hard as a lot of people. I can go out and run five miles where another heavyweight will be struggling. That's what separates me from a lot of boxers. They're brought into the ring because they're no good at anything else."

Is there a danger you might get a big head?

"There's always that danger. But I've never had a big head, right from the beginning. People look at me as some star. I don't. I look at myself as an individualist trying to reach a goal."

But you don't have that killer mentality.

"No, because boxing is a controlled violence. If you look at most of the guys out there, after the fight's over they're huggin', which is the good thing about the sport."

You might think a heavyweight boxer like Lewis was the safest person in the world. But it seems that other men, especially when they are drunk, cannot resist provoking him.

"If a guy comes up and challenges me for a fight I laugh it off as a joke. Yeah, I've had guys try and hit me."

Have you had to put someone on the floor?

"I've sort of controlled them down. If a guy is drunk and he can't fight I won't knock him out. If a guy takes a knife out on me, . . . more times I'll go away from things like that because I think: I could hit him, but I could hurt my hand. Or I could hurt him, kill him."

Thinking of former champion Mike Tyson's sentence for rape I asked Lewis how women reacted to him.

"A lot look at me and say 'that guy's got plenty of women falling all over him.' It's not necessarily true." He is wary of feminine wiles. "I've had women sending nude pictures in the mail, following me home. It's really bad like that. There's certain rules I stick by. I watch who's following me, I watch myself when I'm out drinking. Women have different ways . . ."

Do you have a girl friend?

"I plead the Fifth Amendment."

How much does money mean to you?

"You can always make money at anything. But how many people actually become champions? I'm a gold medallist and that means more to me than money. When I die and I go away I'll always have that in the history book. I don't want to become a billionaire."

What are your weaknesses, then?

"I would say I give people too much of a chance. I've been told that."

You mean you don't like confrontations?

"Exactly. That's me. If I have to, I will. I have to psych myself up to do it. If someone takes a liberty with me, then I'm very quick to put them in their place. I would say I'm shy, too. I'm not as outspoken as people would want me to be."

Lennox Lewis sometimes sound too good to be true. But if he has the mean streak he claims, I did not find it.

If you became world champion, would you try and do something to improve the sport's image?

"Definitely."

What example would you set?

"I would like to be a role model. A lot of athletes out there don't realise that there's young kids looking up to them. Boxing taught me control over my aggressiveness as a youngster. And I think it builds character. It builds a man to have a controlled fight with a guy and then be friends. That's why I stress to you, when people say 'fighting', it's not fighting, it's boxing."

Thanks very much, I said.

"Want a game of chess?"

A baby boom goes bust

SUITE 404 in a suburban Seattle office block looks innocuous. There are tastefully-upholstered sofas, house plants, gilt table lamps. But the glass office door is locked.

Neighbours are defensive. "Have you tried knocking?" suggests the receptionist next door. "Yes." She *remains coldly unhelpful.* "Well," she says, "they come and go."

In the case of the Adoption Center of Washington, the inhabitant of Suite 404, a lot more has gone than come in recent weeks. A few months ago, the agency – together with two sister organisations in Arizona and Massachusetts – was being fêted for revolutionising adoption techniques. Today, all three are mired in a financial imbroglio.

More than 200 would-be adoptive couples – including some from Europe – have been stranded, having paid out upwards of $20,000 (£11,560) apiece in advance fees. Natural mothers, who had agreed to have their babies placed via these agencies, face confusion. On the regulatory side, officials can only wonder whether the hodge-podge of state rules which governs the US adoption industry even begins to suffice.

Adoption is a delicate subject. But even if emotional and ethical issues are put aside, there remains a huge *mismatch between supply and* demand. About 1m couples in the US want to adopt. The actual number of adoptions completed annually is nearer 50,000.

Costs are high. Once legal fees and contributions towards a birth mother's medical expenses are added, the outlay per baby may approach $50,000. In general, only part of the money is advanced upfront. The process can be lengthy – *a year's wait is not unusual.*

It is against this background that the story of ACW and its sister agencies – Southwest Adoption Center in Phoenix and Adoptions of New England in Cambridge, Massachusetts – must be viewed. Southwest, the largest, was formed in 1984 by a lawyer, Michael Sullivan. His partner, who has remained in charge of the agencies after Sullivan's departure a year ago, is James Medlock. Medlock, whose lawyer does not return calls, lives in one of Phoenix's nicer residential areas, and has been *described as a "one-time real estate* developer".

According to an enthusiastic article in Forbes magazine in October, Sullivan started the business as an adjunct to his legal work, but it snowballed. From the outset, Southwest's approach was radical: it made a pro-active search for babies, advertising to birth mothers, and reportedly sending its social workers to high schools and *across state lines.*

For several years, things went well. Although the agencies' fees were high, adopting couples seen to have been satisfied: in 1991 the Arizona agency placed 61 children.

However, the Medlock/Sullivan agencies tended to operate in states in which the adoption regulations are relatively lax (or, depending on one's viewpoint, progressive). In Washington, for example, for-profit agencies are allowed; services can be advertised; and parental rights can be terminated within days of a baby's birth. Financial information about an agency is required only when it is licenced.

No one seems willing to speculate on when the agencies ran into difficulties, or whether their problems stemmed from the core adoption businesses, or from other interests which their directors own. "That's part of what we're still trying to discover," says Julie Tolleson, an assistant attorney with the Arizona Attorney General. "At this stage, it all seems very intertwined."

In retrospect, there may have been warning signals. It has been noted, belatedly, that both the Arizona and Washington agencies moved offices last year, while Sullivan filed for personal bankruptcy.

Matters came to a head in March when Medlock sent a memorandum to clients explaining that financial problems had developed and that a moratorium on adoptions by existing client was being proposed. An "immediate placement program" was mooted instead. Under this, new couples could pay an increased *fee of $30,000 and receive a place*ment immediately.

According to a lawsuit filed in Arizona, a couple were told in February that for a $30,000 "immediate placement" fee, they would immediately receive a new-born child. Yet, the complaint continues, this infant had already been matched with a Massachusetts couple, who had been waiting two years. Both the birth mother and the Massachusetts *couple were subsequently told that* the match had "fallen through".

Complaints began to mount in all three states, and on March 23, the Massachusetts Attorney-General filed a civil action against ANEI, suspending its licence. An audit by a Boston accounting firm revealed a $900,000 deficit. The authorities also moved the ANEI business, which included a 30-strong waiting list, to the supervision of another agency.

Two days later, Arizona followed, this time with a consumer fraud charge against Southwest and its non-profit affiliate, Southwest Adoption Agency. The agencies were prohibited from making any more placements or accepting new fees.

Washington was last to act. It has barred the agency from taking any *new monies, but – as of Monday* – no legal action had been taken by the Attorney General's office and the licencing authorities were still deciding how the 75-strong waiting list should be handled.

In the meantime, couples on all three lists have been struggling to group. Legal initiatives – from class actions to possible criminal charges – are being investigated.

However the dust settles, an *uncomfortable light has been shone* on US adoption regulations. That may send warning signals to couples in Europe who have grown weary of the difficulties of adopting there. "The fact is, there are other organisations in trouble," says William Pierce at the National Committee for Adoption. "The licencing laws are a patchwork".

Nikki Tait

Word on the street

Michael Thompson-Noel

I HAD dinner in Mayfair this week with my friend Wayne Talent. Both of us have street cred, and both like a bet, so our conversation ranged freely from today's Grand National to the UK election; from life in the universe to who was in charge of things before Big Bang, with its *concomitant invention of* maths, physics, art, literature and the bullets that conspired and flew that mad day in Dallas.

Wayne is the younger brother of Keith Talent, the Notting Hill racketeer of Martin Amis's novel, *London Fields*. Wayne claims never to have heard of Martin Amis and his works. But he keeps in touch with Keith, currently in prison, whose latest conviction for robbery is now regarded, by Keith's solicitor, as unsatisfactory, given the fibs with which the police evidence was contaminated.

Unlike Keith, Wayne never cheats, steals or bashes. He is a gentleman, a friend of Dorothy's: 28-ish, gaunt, plausible, capped – and rich, a child of Thatcherism. So rich that, like all the rich I know, Wayne is genuinely untroubled whether Labour wins the UK election or not.

"Stands to reason, dunnit, Mike?" said Wayne this week. "Tories. Labour. Paddy Ashdown. What's the difference? They're all high taxers, all high spenders. The only difference between them, Mike, is 175 Footsie points, maybe 200 – peanuts, cashew nuts. Know what I mean? Have a crab claw."

Wayne explained that what he needed guidance on was today's Grand National steeplechase at Aintree, regarded by its admirers as one of the sporting world's great spectacles, but by me as immoral.

"I know you don't like the race,

HAWKS & HANDSAWS

Mike. Regard it as a bloodbath, akin to torturing bears. But I can't resist Cool Ground, even though he's favourite. I'm thinking of betting 15 thou, maybe even 20. What's your considered? Street guy like you."

I studied Wayne closely. His caps glittered polar bright. His hair-cuts cost £100. If Wayne was planning to plunge on a runner in the Grand National, I needed to disabuse him.

"You have got to reconsider, Wayne. The Grand National kills horses, but it is also a graveyard for punters like you. Forget Cool Ground. The reason you want to back him is that he won the Cheltenham Gold Cup three weeks ago and thus stands a chance of emulating Golden Miller's unique feat in 1934 when winning the Gold Cup and Grand National in the same season.

"But look what happened to the others that tried the same trick. In 1925, Ballinode fell; a year later, Koko fell; in 1927, Thrown In fell; two years later, Easter Hero was 2nd; in 1933, Golden Miller fell, though he won it the following year; in 1935, Golden Miller unseated his rider; the year after that, Golden Miller – again – was brought down and refused to jump a fence; 1939: Brendan's Cottage fell; 1946: Prince Regent was 3rd; 1977: Davy Lad fell; 1979: Alverton – a lovely horse – smashed his neck and was killed at Becher's Brook; 1991: Garrison Savannah was 2nd.

"Whatever you do, Wayne, give Cool Ground a miss. Just hope he's alive on Sunday. If you want my advice, put £500 each way on Willsford and leave it at that."

Wayne was disappointed. "I want to bet *big*, Mike. What about Margaret Thatcher? *I see that William* Hill is offering 25-1 against her regaining the Tory party leadership before the end of the century. Think that's a goer? Street guy like you."

"No, I don't, Wayne", I said. "I was struck, this week, by something Ivan Straker said in the *Racing Post*. Straker is the non-executive chairman of Seagram UK, which sponsors the Grand National. . . ."

". . . I bet he hates your guts . . ."

". . . I imagine that is true. But he redeemed himself slightly by saying that under Maggie Thatcher, greed and envy prospered. And then he said: 'There are two sets of values in the world – material and human – and I accept you can't live without them both. But take away the human values of trust, loyalty, sympathy, understanding, honesty, and you aren't worth a bugger'. That is what he said. And Straker is a Tory, albeit a pink one. Forget Margaret Thatcher, Wayne."

"But I want to have a bet. Something really sexy."

"All right", I said. "Ring Paul Austin at Ladbroke, who is calculating some odds for me against the confirmation of intelligent life elsewhere in the galaxy. Could be very tasty. Take *anything* he quotes you. I recently visited Nasa. Do I have to spell it out?"